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CONTENTS

ENERGY ECONOMICS

ARGENTINA

- Energy Secretary Discusses Emergency Plan To Solve Crisis
(Alieto Guadagni Interview; MERCADO, 7 Oct 82)..... 1

- Briefs
Energy Production 13

CUBA

- Cienfuegos Power Substation Testing Explained
(Joaquin Oramas; GRANMA WEEKLY REVIEW, 10 Oct 82)..... 14

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

- Guatemala-UK Preliminary Contacts on Belize
(PRENSA LIBRE, 4 Oct 82)..... 15

- ANEP Urges Salvadoran Government To Strengthen Free Trade
in Region
(LA PRENSA GRAFICA, 10 Oct 82)..... 16

- Briefs
SIECA's Study on Energy Sources 18

ARGENTINA

- Air Force Publishes Statistical Brief of War
(AEROESPACIO, Sep/Oct 82)..... 19

Commerce Secretary Reports on Trip to Communist Countries (CONVICCION, 16 Sep 82).....	21
Political Leaders Interviewed on National Crisis, Political Future (CONVICCION, various dates).....	23
Bravo to Leave Politics, Leopoldo Bravo Interview Peronist Leader Matera, Raul Matera Interview Rogelio Frigerio, Rogelio Frigerio Interview Carlos Burundarena, Carlos Burundarena Interview	
National Figures Express Views on Stand-by Loan (LA PRENSA, 1 Oct 82).....	33
Option To Develop New Economic Relations Reviewed (Carlos Pineiro Iniguez; LA NACION, 28 Sep 82).....	35
BRAZIL	
Gallup Poll Indicates Rise in Voter Pessimism (JORNAL DO BRASIL, 8 Oct 82).....	38
Vote-Linkage Rule Presents Problem in Sao Paulo Elections (O ESTADO DE SAO PAULO, 15 Oct 82).....	40
COLOMBIA	
Tax Deductions for 1982 Increase by 23.47 Percent (EL TIEMPO, 9 Oct 82).....	45
Controller Paints Dark Portrait of Fiscal Conditions (EL TIEMPO, 20 Oct 82).....	47
CUBA	
Jorge Lezcano Discusses IPC Meeting Results (Susana Lee; GRANMA WEEKLY REVIEW, 10 Oct 82).....	50
Progress in Cooperative Movement Discussed (Alberto Pozo; BOHEMIA, 8 Oct 82).....	52
'PL' Reporter Describes Situation in Lebanon (Leonel Nodal Interview; BOHEMIA, 8 Oct 82).....	54
Reportage on Angola, Namibian Independence Issue (GRANMA WEEKLY REVIEW, 10 Oct 82).....	59
Dos Santos' Remarks Malmierca's Remarks	

Cooperation Agreement Signed With Algeria (Orlando Oramas; GRANMA WEEKLY REVIEW, 10 Oct 82).....	61
Bauta's INCA Experimental Cane Station Visited (Andres Rodriguez; BOHEMIA, 8 Oct 82).....	62
EL SALVADOR	
'Venceremos' Commentary on Status of Forces (Radio Venceremos, 6 Nov 82).....	64
Briefs	
New Norwegian Ambassador	67
GUATEMALA	
U.S., Other Media Accused of Distorting Facts (Alvaro Contreras Velez; PRENSA LIBRE, 27 Oct 82).....	68
Briefs	
New Trade Agreement	70
New Belgian Ambassador	70
GUYANA	
Sharp Drop in Milk, Other Food Supplies; Black Market Thrives (SUNDAY ADVOCATE-NEWS, 17 Oct 82, GUYANA CHRONICLE, 21 Oct 82).....	71
Burgeoning Black Market	
Milk Plant Situation	
Women's Action	
Sugar, Rice Crops Give Signs of Setting High Marks (SUNDAY CHRONICLE, 17 Oct 82, GUYANA CHRONICLE, 19 Oct 82).....	73
Record Week for Sugar	
Rice Prospects	
Price for Pigs Raised But Output, as With Chickens, Lags (GUYANA CHRONICLE, 21 Oct 82).....	75
HAITI	
President Duvalier Grants Interview to National TV (Jean-Claude Duvalier Interview; LE NOUVEAU MONDE, 25-26 Sep 82).....	76

HONDURAS

Nicaraguan Refugees in Country Afraid To Return (Luis Alonso Gomez; LA TRIBUNA, 25 Sep 82).....	82
Over 29,000 Refugees Now in Country (Maria Luisa Castellanos de Membreño; LA TRIBUNA, 4 Oct 82).....	85
Agrarian Reform Discussed at Peasants Meeting (Angel Maria Velasquez; LA PRENSA, 28 Sep 82).....	89

MEXICO

MMH: Obligation to Revolution, Not Socialism (EXCELSIOR, 4 Oct 82, UNOMASUNO, 5 Oct 82).....	93
President-Elect Interviewed PSUM, PAN Reaction, by Julio Hernandez Lopez	
Formal Establishment of CNDEP Generates Criticism (EL DIA, 17 Oct 82, UNOMASUNO, 17, 21 Oct 82).....	97
CNDEP Constitution Signed, by Angel Aguilar Perez Program Outlined, by Emilio Lomas PST Considering CNDEP Contact, by Jose Alberto Lopez Sustaita PPS Criticism of CNDEP, by Jose Alberto Lopez Sustaita POS, PRT Charge Divisiveness	

NICARAGUA

ME Urasata Communique on Leader's Expulsion (LA NACION, 5 Oct 82).....	102
Former Guerrillas Score Sandinist Government (Gustavo Hernandez; EL TIMEPO, 1 Oct 82).....	103
FDN Communique Explains Its Policies (LA NACION, 6 Oct 82).....	106

ENERGY SECRETARY DISCUSSES EMERGENCY PLAN TO SOLVE CRISIS

Buenos Aires MERCADO in Spanish 7 Oct 82 pp 18-24

[Excerpts from interview with Energy Secretary Dr Alieto Guadagni; date and place not specified]

[Text] MERCADO: Despite the recession, oil production is dropping, which means that this sector could become a bottleneck as soon as there is a minimum of recovery. How is it intended to reverse this situation?

Guadagni: Oil production is the direct responsibility of YPF [Government Oil Deposits], and it covers two thirds of the total volume, while the remaining third comes from the private contractors. Whereas the volume incumbent on YPF increased, that of the contractors has declined very markedly, and the combined effect caused the 1.6 percent drop in production thus far this year. As an emergency measure, we have prepared a program to drill 62 wells in addition to the numbers now in existence, to be done by drillers who will work in areas held by YPF which could quickly raise production. This operation will be backed financially by the Bank of the Nation, for two reasons. One is the need for producing more oil locally, and preventing any intensification of the importing at the present time, which is very tragic owing to the problems that are present in the external sector. A second reason is that this is a means of reactivating the southern Patagonian area, because this work will be done in sections of Santa Cruz, Chubut and Neuquen. It is estimated that each well will have a cost equivalent to \$700,000, which entails a plan for immediate implementation amounting to nearly \$43.5 million. Based upon whether this reinforcement proves successful, something similar may be planned in 1983.

MERCADO: What does this program represent in cubic meters, and how much will be paid for a cubic meter?

Guadagni: The technicians estimated that it could represent a contribution of 500,000 cubic meters throughout 1983. I would like to explain that these will be drilling contracts; in other words, YPF will continue to maintain the areas, and will have the crude oil that is extracted at its disposal. Hence, it will not pay per cubic meter, but rather per drilled meter. But we must also consider the fact that, next year, there will be a sizable substitution; because the equivalent of 3.0 million cubic meters of oil used for fuel oil and gas oil consumption will be replaced by natural gas. This has several positive aspects, because that volume would represent over \$500 million, if it had to be imported. But, at the same time, it means an

increase in daily consumption amounting to about 6 million cubic meters of natural gas which, in turn, reflects a greater use of the present gas pipeline system, and an improved amortization of those investments. Bidding has already been carried out for converting the fuel oil production from the Lujan de Cuyo and La Plata refineries to produce fuels with a greater value added, which can be exported. In other words, a larger available supply of gas for the user will bring about surpluses of fuel oil and conversion of the latter into other fuels will make it possible to export. This is a highly profitable project, which has its financing ensured by the World Bank.

MERCADO: This is good news, and it will certainly mean a great deal of effort and imagination to implement. Nevertheless, it seems like patching, like a partial cure, because the surgeon does not feel like operating in depth.

Guadagni: That is true. The entire fuel and electric power system has a dreadful distortion, brought on by a rate which is not realistic. The prices of energy in our country are very far removed from the international ones, which has deteriorated the financial status of the public companies and of the private companies working as contractors; and, in general, there is an overall distortion which has affected the entire economy.

MERCADO: Perhaps one way of embarking on this issue is to ask you, as energy secretary and a professional in economic science, whether you have a sense that Argentina is setting prices based on the international prices that are set on the basis of different costs, because the productivities are different, and also because of an extra tax burden among the producing and exporting countries, to which must be added a highly attractive profit for the oil companies. Over half of the international price consists of taxes and company profits, which bear no relationship to the cost and profit that may occur in Argentina.

Guadagni: We must definitely take the international price as a reference, because it is the opportunity cost that we must always consider in making an economic decision. That is a guideline given to the country, and it does not matter whether the international price of oil includes a monopolistic element or an extrarent levied on the land. What I have to know is how much I must pay for the oil, and how much I can sell it for. How much of that price is a result of monopolistic elements, or due to the fact that someone has set an extra rent for the land, does not matter so long as there is an attempt to establish a stable, long-term policy. The spot prices, which are extra prices for circumstantial reasons and which often are not helpful in allowing operations to be carried out, do not matter; but rather are trial balloons, to test the market. Nevertheless, I cannot and should not ignore the international prices in the medium and long-term planning. This must be borne in mind because, in the energy field, the investments are very large, and are of the intensive capital type; and, furthermore, they are directed toward projects with a life expectancy of 30 or 50 years. Therefore, a mistake in this area of activity could mean millions of dollars wasted throughout decades of life of a project. The development time of the projects is also very long, precisely because of the size of the investments, which must be analyzed from the financial standpoint, and the preparation of the engineering projects. There must not be either a poor evaluation, or a defective information system for making decisions.

MERCADO: Nevertheless, there are the two factors, because you said that there were serious distortions. What is the sector's situation?

Guadagni: The rates are very low in comparison with any guideline that is taken, either local or international. This means that wrong signals are being sent to the entire economy, and a poor allocation of resources is occurring. There are many examples. The subsidy that exists for gas oil has caused too much channeling of shipments to trucks, while our rivers are transporting almost nothing. The system of subsidies for crude oil imports and the penalties for exporting derivative fuels with greater value added are measures totally at odds with what a logical system might be; and they are far more ridiculous at a time like the present, marked by difficulties in the balance of payments. As a matter of fact, we are not using the energy sector to export more, or to cooperate in coping with the external sector's problems.

MERCADO: Before delving into the matter of the distortions, let us first turn to the realm of solutions. What should the immediate measures be?

Guadagni: There are several, and I do not think that they should be exclusive. I am convinced that several things can be done, as if we were to mix ingredients in a moderate proportion. One of them is the renegotiation of the operational contracts, a process that has already undergone several postponements. The renegotiation means greater production, greater use of drilling equipment which is at a standstill and new employment for thousands of workers and technicians in the industry. Another act should be a readjustment in the domestic rates for both fuel and electric power, supplemented by a refinancing of the companies' external commitments. And consideration must also be given to a possible capitalization of the state companies, owing to the impact caused them by a rate system that is not realistic.

MERCADO: Let us discuss the renegotiation of the contracts, a current issue. On what bases will the negotiations take place?

Guadagni: There are quite dissimilar situations, but what we have set as a policy for the Secretariat is that the status of recent decades cannot be maintained. Until 1973, the domestic price of oil had a close correlation with the import price, but since the embargo occurred, and the 400 percent hike in international oil prices, Argentina has ignored these events. The country has ignored the fact that the era of abundant, and cheap energy has ended throughout the whole world. Before the price explosion, that is, about 1973, local oil cost \$2.91 per barrel, compared with \$2.99 for imported oil; in other words, it was 97.30 percent of the international level. In 1976, imported oil cost \$11.50, and local oil only \$3.00; that is, only 38 percent. In 1978, there was a recovery, and the local price came to be 62 percent of the international price; but at present the amounts are totally distorted. Whereas the oil from the Neuquen Basin costs \$6.47 per barrel, the equivalent, which is "Arabian light," costs \$34.00. And this means that the local oil costs only 19 percent of the price of the international oil. With these distortions, the companies find that there are more opportunities abroad, and send the equipment overseas; and then production drops. We must pay more, so that the companies will have reasonable profits, will reinvest and will employ more labor. The idea is to set a new price for the so-called basic oil, related to a production program based on an anticipated curve, and another price for the surplus that is,

for the oil that is produced in addition to an anticipated program. The greatest premium will be for this surplus production. This surplus production will be that from the contracts signed in recent years, which has a status quite different from that of the others. The work is being done in more remote areas, the wells are deeper, the technology is more sophisticated and risky, the cost of the money has been higher, the wages have been higher, the risk is greater and the infrastructure is more expensive. Therefore, it is only logical for the price to be different. New investments must be attracted on the bases of prices which make the operation profitable.

MERCADO: In other words, the status of the private companies is a matter of concern.

Guadagni: And that of YPF. One of the distortions is that, when the price is set at \$6.50 per barrel, everyone tends to visualize the barrel at that price, and then it is incorporated into the calculations made by YPF, and for this reason the wrong signal that is sent to the nation's entire economy is extraordinarily expanded from the beginning of the cycle. Moreover, the difference between the international price and the domestic one is covered by the Treasury, and hence there is a certain inducement for importing, which is definitely foolish.

MERCADO: You mentioned part of the problem, namely, the lag in crude oil prices for the operational contractors. What will happen to the rate for the public, and the part of the price which is channeled to YPF, and the other part going to the Treasury?

Guadagni: We must be realistic. We must apply an increment over the inflation rate. This means that the rates must be increased over the wholesale price rate by two or three points, so that the future authorities will find an energy sector in reasonable economic and financial condition, and in the projects area as well. Even with this type of increase, the electric service companies, which are now sustaining heavy losses, will not show sufficient profits to enable them to produce funds by themselves or to have a reasonable amount of internal financing.

MERCADO: Can and should a transition government make these readjustments?

Guadagni: Let us explain it. We shall never make an increase that will mean closing the gap between international and local crude oil which, as we have noted, is about 80 percent. Secondly, there are several alternatives which are not exclusive. And, thirdly, this is a gradual program which we have already submitted to the Ministry of Public Works and the Ministry of Economy, so as to resolve the matter. It is no secret to the press that I have held talks with experts on energy affairs from different political movements and, although there are differences over the greater or lesser degree of state intervention in the economy, I have no doubt that they are all aware of this problem. Personally, I believe that it is better to be criticized for trying to solve a problem than for not doing anything. As a professional, I am convinced that, if more time elapses without adopting measures, the adjustment will be more painful and complicated. And precisely because this is a transition government, we must turn over the power with fewer problems and not with more difficulties.

MERCADO: And what about the capitalization?

Guadagni: That is another possibility, and it depends on how far we want to go with the rate readjustments, how soon it is decided to reduce the Treasury's participation, that is, what the amount of withholding to be set for YPF will be, and how the negotiations for refinancing the debts may progress. It is an expedient which must not be disregarded. In the plan that we have proposed, we suggest eliminating the compensation that must be made by the Treasury to close the gap between the import and local price; which is important both from the standpoint of the Treasury's outlays and that of reducing the incentive for importing. There are also measures for removing the obstacles to fuel exports.

MERCADO: Could you be more explicit?

Guadagni: It is a very little-known fact that, for every cubic meter of gas oil exported by TPF, which costs \$260, the amount withheld is \$177, and only \$83 is left for the company. In other words, in this instance the withholding is 68 percent, far higher than for any other primary product. Fuel oil, which costs \$170, has a withholding of \$123, and only \$47 remains for YPF. The withholding is 72 percent. We must be aware of this problem, because amid this turbulent situation the fuel exports amount to \$560 million, representing about 70 percent of the wheat sales abroad.

MERCADO: If the emphasis were placed on another distortion, which would you choose?

Guadagni: The fact that this entire price system has distorted both the supply and the demand. It is by now common to remark that Argentina is a country with oil, but not an oil-producing one, at least up until now. This means that the oil reserves cover about 13 years of consumption. On the other hand, we have large natural gas reserves, for about 70 years, which increased when there were prices for this fuel. In other words, the reaction to the price has been very quick and strong. This is important for understanding the necessary change that must occur in the country. Whereas the oil reserves represent 35 percent, and those of natural gas 65 percent, the consumption is 70 percent for oil and only 30 percent for gas. This is absurd because, owing to a bad price policy, we are using to a large extent the non-renewable, more scarce resource, namely, oil, and we are making little use of the more abundant resource, namely, natural gas. This means a dreadful imbalance between the supply and demand. We must move from an economy dependent on oil to a different one based on natural gas and hydroelectric power, through the rational use of the price mechanism. Furthermore, the "new" oil that is developed in Argentina will have a high marginal cost, owing to the greater costs that I have already mentioned. We must also consider the fact that the output in the country is about 11-12 cubic meters per day, per well; whereas Saudi Arabia produces up to 2,100 cubic meters per well, per day, and Iraq produces 1,660 cubic meters per unit, per day. This entire situation means that, throughout the next 10 years, in order to avoid an energy shortage, we shall have to mobilize funds amounting to about 3 percent of the GDP, which will not come from the public sector alone. Continuing with the account of the situation, it means that there must be a formation of capital that will be available for new investments, or else there will be an energy shortage. Through prices, there must be a reflection in the entire economic system of the amount of the shortage, and the generation of funds to finance initiatives for replacing sources. There must also be an intensification of the efforts to make efficient use of the energy; that is, a more rational use of each unit of energy

in comparison with each unit of goods produced. The price is the best way of conserving energy, and the most rational one, without causing additional distortions.

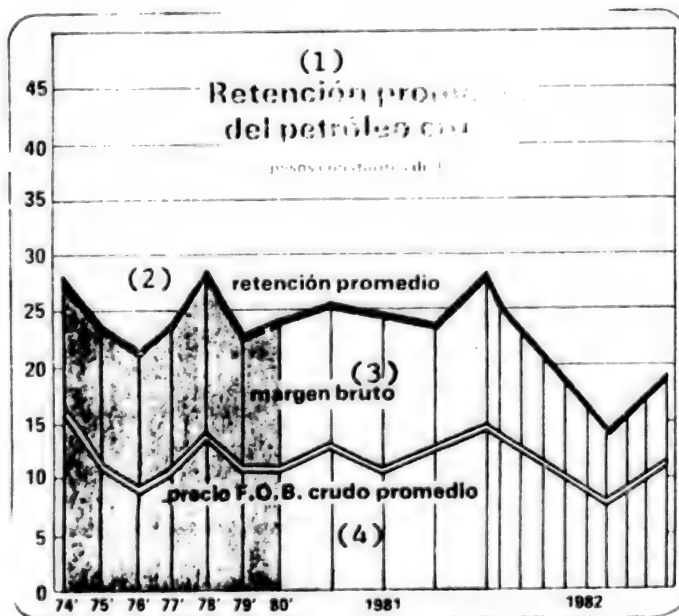
MERCADO: You mentioned hydroelectric power. What is going on with the Yacyreta project?

Guadagni: The process is being redirected, with the appointment of the new authorities, and I think that the facility will start to be executed in 1983, after the awarding of bids takes place.

MERCADO: Does that mean an agreement between Impregilo and Dumez?

Guadagni: It could be the beginning of the solution. Yacyreta is a necessary facility from the standpoint of the electric power supply, to improve the navigation on the river and to reduce the effects of the river's flooding; and it is profitable on the basis of the alternative cost of energy, such as that generated using oil as input. Meanwhile, studies are continuing on large-scale projects such as Corpus and the Middle Parana. My forthcoming trip to the Soviet Union relates precisely to potential purchases for the energy sector, because the trade balance is highly unfavorable for that country, and it will obviously discuss this possible undertaking.

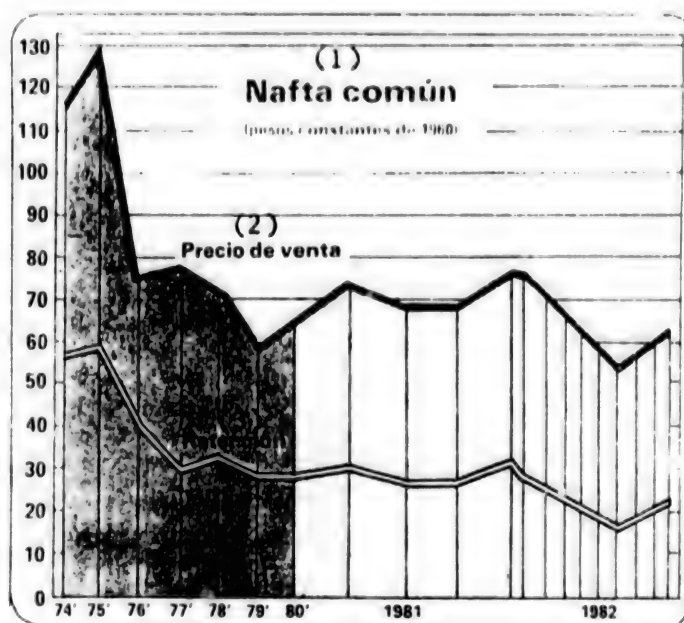
Graph 1.



Key:

1. Average Withholding From Crude Oil (in constant 1960 pesos)
2. Average withholding
3. Gross margin
4. Average FOB price for crude

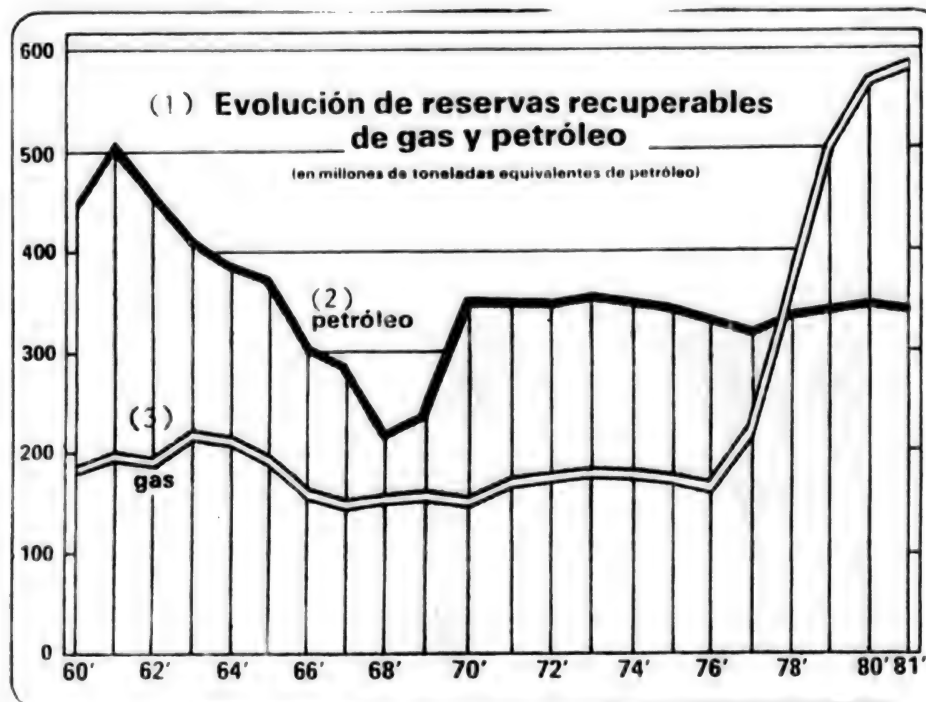
Graph 2.



Key:

1. Regular Gasoline (in constant 1960 pesos)
2. Sales Price
3. Withholding

Graph 3.



Key:

1. Performance of Recoverable Gas and Oil Reserves (in millions of equivalent tons of oil)
2. Oil
3. Gas

How Much, How and to Whom YPF Is Indebted

Government Oil Deposits' financial situation is very critical, and would mean bankruptcy for any private firm experiencing the same problems. Nevertheless, the technicians think that the seriousness of the problem is not a result of the total amount of the debt contracted for the purchase of crude oil and to cope with the capital investments, but rather of the concentration of due dates for capital and interest payments into the short term, in the context of the difficult refinancing of the Argentine foreign debt.

Based upon its annual sales, the dominant position on the market and the special features attached to its state structure, the possibility for recovery now depends on two decisions from the officials: speed in decision-making, and courage in confronting the obstacles. Over the short term, initiatives could be taken that would encourage bankers to refinance the debts; but it is also a fact that long-term solutions will have to be considered, involving YPF's presence in the subsoil prospecting, oil operations and the transportation, refining and marketing of byproducts.

Although it is true that YPF is not an example of efficiency and productivity, we must also bear in mind that it has constantly suffered the effects of policy measures, to the point where the administrator does not control the prices of what he purchases (his main input is oil), nor can he set the sales prices for the derivative fuels. In the intermediate phases, he also has serious restrictions on the entity's budget, the handling of the money and even the administration of the personnel.

However, the urgent requirement is to devise solutions that will serve to improve the state of affairs shown to President Bignone a few days ago. For August of this year, the liabilities amounted to 153.1 billion pesos, exceeding the 139.6 billion pesos in assets by 13.5 billion, or 9.7 percent. During the first 8 months of 1982, that is, from January to August, the balance showed a loss of 25.7 billion pesos, as a result of a positive operational performance of 2.8 billion, and the effect of 28.5 billion in losses from financial charges.

As an exercise in simulation, it was calculated what the situation would be like if, since January 1978, the prices for YPF and the withholdings for the Treasury had been adjusted to the inflation; in other words, if the lag had not been permitted. The debt would be virtually zero, the result would be 33 billion in profits, the assets would have totaled 150 billion and the liabilities would not worry anyone. The operational profitability would have allowed for the drilling of about 2,000 additional wells.

The total liabilities as of 31 August of this year were \$4.4858 billion, plus 10.06 billion pesos. In pesos, the total liabilities were 179.52 billion which, at the close of business on the aforementioned date, was equivalent to \$4.7924 billion. Taking this latter figure, the debt in foreign currency is 93.6 percent of the total debt, while the remaining 6.4 percent is in local currency.

Of the total debt in foreign exchange, \$4.1062 billion represents documented financial obligations; \$371.6 million represents documented commercial obligations; and \$8 million represents undocumented debts to suppliers abroad. As of 31 August, the documented financial debt was \$3.9621 billion in capital, and \$144.1 million in

accrued interest; and the leading creditor, based on origin of the loan, was the Japanese banks, with 37 percent; followed by the United States, with 15.7 percent; France, with 8.0 percent; Great Britain, with 6.8 percent; other European nations, with 15.9 percent; and a remainder of 16.6 percent for the entire world.

The short-term obligations incurred (capital and interest) total \$2.6573 billion (see table).

Table I

Total YPF Liabilities as of 31 August 1982

Item	Millions of U.S.\$
Estimated Net Documented Debt	
Total financial obligations	4,106.2
Total commercial obligations	371.6
Sub-Total (A)	4,477.8
Estimated Undocumented Debt	
Local suppliers	130.8
External suppliers	8.0
Miscellaneous	175.8
Sub-Total (B)	314.6
Total Estimated Liabilities	
Sub-Totals (A) + (B)	4,792.4

Source: Report to the President

Table II

Estimated Net Documented Debt

Net Obligations From Temporary Loans

(Figures in Millions of Dollars)

I. Financial (A)	4,106.2
I-1. Total External	4,106.2
1-1.1.Short term	2,385.1
1-1.2.Long term	1,721.1
I-2. Total Internal (C)	
1-2.1.Short term	
II. Commercial (B)	371.6
II-1. Total External	287.3
II-1.1.Short term	150.1
II-1.2.Long term	137.2
II-2. Total Internal (C)	84.3
II-2.1.Short term	76.0
II-2.2.Long term	8.3
Total External Obligations	4,393.5
Total Internal Obligations	84.3
Total Obligations	4,477.8

Note: (A) includes interest accrued. (B) includes total interest.

(C) To convert to U.S.\$ the rate of exchange at the close of 31-08-82 was used, namely, U.S.\$1.00 = 24,530 pesos.

Table III

Obligations Payable Over the Short Term Involving Capital and Interest, as of 31/8/82 (between September 1982 and August 1983) - in thousands of dollars

Beneficiary	Total	%
Short-Term Loans		
The Long Term Credit Bank of Japan	251,004.4	9.4
The Bank of Tokyo	234,307.4	8.8
European Banking Corporation	184,675.3	6.9
Rio de la Plata Bank - New York	117,955.4	4.4
Chase Manhattan Bank	116,746.5	4.4
Manufacturers Hanover Trust	108,294.3	4.1
American Express Int. Banking Co.	107,887.3	4.1
Swiss Bank Corporation	102,865.5	3.9
Morgan Guaranty Trust	88,634.8	3.3
The Tokai Bank	76,407.5	2.9
Bank of America	71,282.5	2.7
National Bank of Lavoro	70,306.8	2.6
Dai-Ichi Kangyo Bank	63,162.4	2.4
The Mitsubishi Bank, Ltd.	56,478.0	2.1
Arlabank	53,232.8	2.0
Argentine National Bank - New York	48,000.8	1.8
The Mitsui Bank, Ltd.	43,388.6	1.6
B.A.I.I.	42,723.1	1.6
Societe Generale	42,440.6	1.6
Lyonnais Credit	32,388.8	1.2
Mellon Bank	30,729.0	1.2
Wells Fargo Bank	29,446.0	1.1
The Republic National Bank of New York	27,214.0	1.0
Mitsui Trust & Banking	27,049.2	1.0
Sanwa Bank	23,244.4	0.9
E.I. du Pont de Nemours	22,503.7	0.8
International Westminster Bank	21,785.5	0.8
Buenos Aires Province Bank - New York	21,673.9	0.8
The Fuji Bank	21,630.4	0.8
Sumitomo Bank	21,590.0	0.8
Union of Arab and French Banks	21,514.2	0.8
Commercial Credit of France	21,488.6	0.8
First Interstate Bank of California	21,471.0	0.8
Republic Bank of Dallas	20,859.4	0.8
Irving Trust Company	20,785.8	0.8
The Mitsubishi Trust & Banking	15,528.8	0.7
Bankers Trust	13,408.5	0.6
National Bank of Paris	10,783.6	0.4
Italian Commercial Bank	10,402.5	0.4
Santander Bank	4,317.6	0.2
Commercial Bank of the North	2,925.6	0.1
Sub-Total 1	2,322,534.4	87.4

Table III (continued)

Beneficiary	Total	%
Long-Term Loans		
Wells Fargo Bank	63,577.8	2.4
D.G. Bank	51,823.8	2.0
Citicorp	40,798.0	1.5
The Industrial Bank of Japan	37,584.8	1.4
Lloyds Bank International	28,553.0	1.1
Chase Manhattan Bank	32,516.6	1.2
S.F.E. Banking Corporation	13,397.1	0.5
Citibank	10,938.8	0.4
The Bank of Tokyo	10,098.3	0.4
Grindlays Brandts, Ltd.	8,574.9	0.3
Crocker National Bank	8,491.3	0.3
F.M. Associated Japanese Bank	5,332.1	0.2
Librabank	5,021.0	0.2
Swiss Bank Corporation	4,579.1	0.2
Societe Generale	4,154.8	0.2
Bank of Rome	3,415.6	0.1
IBRD	2,735.1	0.1
Creditanstalt Bankverein	2,713.1	0.1
E.I. du Pont de Nemours	496.0	
Sub-Total 2	334,801.2	12.6
Total	2,657,335.6	100.0

2909

CSO: 3348/65

BRIEFS

ENERGY PRODUCTION--Buenos Aires, 21 Oct (TELAM)--The report released today by the energy secretariat states that during the first 9 months of the year, petroleum production dropped 1.5 percent. Coal production also decreased, while gas and electricity production increased. Petroleum production this year reached 21,257,200 cubic meters, while during the same period in 1981 it totaled 21,578,200 cubic meters. Coal production totaling 372,700 tons in the first 9 months was 11.6 percent lower than the total production during the first 9 months of 1981. As far as natural gas is concerned, total production during the first 9 months amounts to 1,201,700,000 million cubic meters, with an increase of 15.5 percent as compared to the same period in 1981. Regarding electricity, during the January-September period there was an increase of 2.2 percent as compared to the same period in 1981, with a generation of 26,941,805 mwh, against the 26,371,781 mwh in 1981. [Buenos Aires TELAM in Spanish 0135 GMT 21 Oct 82 PY]

CSO: 3348/75

CIENFUEGOS POWER SUBSTATION TESTING EXPLAINED

Havana GRANMA WEEKLY REVIEW in English 10 Oct 82 p 3

[Article by Joaquin Oramas]

[Text]

● THE 220-KV substation built near the city of Cienfuegos, which will allow for greater flexibility in linking up Cienfuegos province's power system, is now undergoing tests and adjustments prior to start-up.

This substation, together with others being built in the provinces of Havana, Matanzas and Holguín, is part of a group of projects bringing greater efficiency in electric power transmission and distribution in the country.

The tests are currently taking place in the Cienfuegos substation, whose construction and assembly are practically finished.

This substation is provided with a 125-MVA transformer, whose weight — including the equipment — is 167 tons.

Once in operation, the substation will link up with the 220-kv, twin circuit power lines extending from Cienfuegos to Santa Clara. It will be similarly tied to the power line from the 169-Mw generator at the Carlos Manuel de Céspedes thermoelectric plant. In addition to providing power to the Karl Marx cement plant, it will link up with another four 110-kv power lines.

The Electrical Construction Enterprise also reported on the start of the construction of a 220-kv substation in the city of Matanzas, which will allow passage through it of the power generated by a 330-Mw unit also being built in that province.

CSO: 3200/10

GUATEMALA-UK PRELIMINARY CONTACTS ON BELIZE

Guatemala PRENSA LIBRE in Spanish 4 Oct 82 pp 2, 79

[Text] Guatemala and the United Kingdom have now opened indirect talks looking toward a negotiated solution in the Belize case, the minister of foreign relations, Eduardo Castillo Arriola, said yesterday.

He said that since our country does not have diplomatic relations with Great Britain, the country that represents the interests of the United Kingdom here initiated the contacts. He said the United Kingdom had accepted the offer and declared it was "thinking along the same lines as Guatemala and was seeking a negotiated settlement through the process of peaceful negotiation."

Castillo Arriola said:

"We have formed a negotiating team of high-level officials, composed of the Guatemalan ambassador to the United Nations, Mario Quinonez, the chief of the Legal Department, Luis Aycinena, Colonel Wohlers of the Army, and Manuel Eduardo Rodriguez, chief of the Belize Affairs Department.

"England," he added, "has asked for a meeting of UN mission officials and delegations to the United Nations General Assembly in New York before the negotiating teams meet."

"In New York," he said, "they will discuss the procedure to be followed in the negotiations. We have agreed to this as a first step. Therefore, the negotiating team will not leave until the procedures to be followed are settled during our stay in New York." Castillo Arriola concluded by saying that Guatemala had presented a "clear, complete and definite proposal."

"They have accepted it because, to a certain extent, it is a summary of the positions we had presented tirelessly for many years, the principle behind which was the restitution of legitimate and inalienable rights to Guatemala in this dispute; that is, the specific proposal against the search for a solution that would settle the real border of Belize, so that that territory would have secure borders and considering that Guatemala needs secure borders too, which means the restoration of its legitimate rights."

ANEP URGES SALVADORAN GOVERNMENT TO STRENGTHEN FREE TRADE IN REGION

San Salvador LA PRENSA GRAFICA in Spanish 10 Oct 82 pp 3, 22

[Text] ANEP yesterday asked Salvadoran authorities to give more attention to the document presented to the ministers of economy of Guatemala, Honduras, and El Salvador with regard to encouraging harmonious and balanced development of the three countries. In the document the National Association of Private Enterprise also asks that priority be given to the free movement of persons, which is the basis and foundation of healthy economic and social policies.

The ANEP document says:

"The National Association of Private Enterprise (ANEP), in view of the serious vicissitudes affecting free trade between our country, Guatemala, and Honduras, requests the following of Salvadoran Government authorities:

"That attention be given and serious consideration accorded to the contents of the joint document presented by the Honduran Private Enterprise Council (COHEP), the Chamber of Commerce of Guatemala, and our association for consideration by the ministers of economy of the three countries, meeting on 12 July this year in the Guatemalan capital, along with representatives of the above-mentioned private organizations." The document was accepted graciously by the ministers, who promised to submit it to their respective government for consideration with the object of trying to put it into practice.

Consequently, with the aim of strengthening and encouraging free trade among our three countries for the benefit of the people of the region, ANEP requests the implementation of the points contained in the document in the shortest time possible. That document set forth the following as the basic objective:

"Promote harmonious and balanced development in the three nations through economic and social policies, and improve the standard of living of their citizens by means of a rapid expansion of activities.

"For this purpose it will be necessary to take concerted and uniform action in the following areas:

"1) Free movement of persons, capital, and services; 2) adoption of common policies in industrial, agricultural, and commercial matters.

Since each of the areas mentioned in the above document are of great importance and significance, ANEP will deal with them one by one in separate press releases.

The points made in the document on the free movement of persons include the following:

"Human beings must be the basis and foundation of a healthy economic and social policy. Therefore, the free movement of labor should be guaranteed, with the elimination of all discriminatory measures based on nationality in connection with employment, wage rights, labor rights, social security benefits, etc. In order to prevent heavy migration from regions or areas, it will obviously be necessary to create suitable mechanisms to maintain a proper balance between the supply and demand of labor.

"The free movement of persons should obviously include entrepreneurs, who accordingly should have the right to invest in the territory of any of the three countries and participate in legal business activities.

The recommendations of the document on this point are as follows:

"Review, among other things, migratory, labor, and social security legislation and anything that will help bring harmony to such matters as minimum wages, benefits, workers' right to organize, professional studies and training, etc."

ANEP believes that all the high-sounding words and intentions expressed in documents like the one we are commenting on must go beyond lyricism and the necessary efforts must be directed towards their realization, thus providing our respective peoples with untold benefits, at the same time furthering true progress and growth in our region and lessening dependence on foreign aid.

Thus it exhorts our government authorities to take the first step or steps needed to make into shining reality what would otherwise be mere utopian ideals.

9015

CSO: 3248/82

BRIEFS

SIECA'S STUDY ON ENERGY SOURCES--The countries of Central America are satisfying their energy requirements by employing forest resources while using imported oil for 48 percent of their needs, according to a study done by the permanent secretary of the Central American General Treaty on Integration (SIECA). These countries use charcoal, hydroelectricity, and sugar cane bagasse, among other forest resources, and another 0.5 percent in geothermal energy. However, such forest resources cannot solve the problem of the high cost of petroleum, which has affected them appreciably, especially because they lack the means to pay the high prices oil has attained. In this regard SIECA indicated that as an illustration of the magnitude of the problem and some of its characteristics, energy requirements in 1979 were approximately 6.5 million tons of petroleum, or 55 percent of apparent local business consumption. These governments, in an attempt to amortize the effects of the energy crisis, must base their policies on five principal points, SIECA recommended. Among them is the acceleration of the use of renewable natural resources, especially hydraulic and geothermal sources, as well as biomass and direct solar energy. Also, they must speedily increase the efficiency of their energy systems, replacing low-yield operating units and regulating the consumption of petroleum products in order to utilize them in accordance with the needs of society. At the same time the employment and improvement of mass transportation is recommended, in order to replace individual transportation where possible and provide regional and national bodies with the resources needed to increase their technical capabilities in the energy field. [Text] [Guatemala EL IMPARCIAL in Spanish 21 Sep 82 p 3] 9015

CSO: 3248/82

AIR FORCE PUBLISHES STATISTICAL BRIEF OF WAR

PY292113 Buenos Aires AEROESPACIO in English No. 429 Sep/Oct 82 p 78

[Text] AAF [Argentine Air Force] was fully responsible for air space control, and in addition, it carried out the following operations:

- Attacks upon naval targets.
- Attacks upon ground targets.
- Air transport.
- Flight refueling of AAF and AN (Argentine Navy) units.
- Exploration and reconnaissance.
- Search and rescue.
- Guide and control of AAF, AA [Argentine Army] and AN air means.

505 sorties were planned, 445 (88 percent) of which were actually carried out. Of these 445 sorties, 272 (64 percent) reached their assigned material targets and 34 of our aircraft which had been deployed in the continent (12 percent) were lost.

12,454 flight hours were registered during operations. 2,782 of which corresponding to combat units, 7,719 to transport units and 1,953 to other civilian and military support aircraft.

Our military aviation sank 6 ships (21,920 tn); damaged 14 of them with absolute certainty (32,780 tn); caused probably damages in 8 more; it caused the certain destruction of 14 aircraft and of 12 helicopters and probably shot down 7 planes and 9 helicopters.

During the conflict, transport aviation carried 9,000 tn of military cargo, 51 percent of which was assigned to AA, 45 percent to AAF and 4 percent to AN. During the same period, 49,000 men were carried, 72 percent of which corresponding to AA, 21 percent to AAF and 7 percent to AN.

The execution of the airlift system between the continent and Soledad Island allowed the carriage of 5,500 tn of military cargo, 74 percent of which belonged to AA, 22 percent to AAF and 4 percent to AN. Also, 9,800 passengers were carried on the Sama route, 84 percent corresponding to AA, 11 percent to AAF and 5 percent to AN. To this end, 420 landings were carried out at Puerto Argentino.

During the period in which British air-sea blockade became effective, (May 1st to June 14th), 33 flights were made to the islands, said flights including landings and air droppings, (62 percent for AA, 30 percent for AAF and 8 percent for AN); 450 tn of cargo were carried and sanitary evacuation of 264 wounded people was made.

During operations, AAF offered full evidence of its professionalism as well as of its commanding style. Its casualties consisted of a 90 percent of career military personnel, 36 officers and 14 NCO's (non commissioned officers) and a 10 percent of personnel who was on military service (5 privates).

CSO: 3300/4

COMMERCE SECRETARY REPORTS ON TRIP TO COMMUNIST COUNTRIES

Buenos Aires CONVICCION in Spanish 16 Sep 82 p 17

[Text] Secretary of Commerce Alberto Fraguio revealed yesterday that Cuba will sign an agreement for the purchase of \$50 million in Argentine goods, and estimated that in 1983 Argentina will export between \$4 billion and \$4.5 billion in goods to East European countries.

He made these statements at a press conference during which he announced that next weekend he will begin a tour of Czechoslovakia, the German Democratic Republic, Poland and the Soviet Union.

Concerning foreign trade, the secretary reported that Cuba is expected to sign a pact soon for the sale of \$50 million in Argentine products, including raw materials and industrial goods.

Fraguio indicated that talks have been going on in recent days. He also noted that in the meeting between the Cuban delegation and the president of the republic, the Cubans expressed once again Latin America's solidarity with Argentina concerning the circumstances of the conflict in the South Atlantic.

With reference to his tour of East European countries, the secretary estimated that in 1983 between \$4 billion and \$4.5 billion in Argentine products will be sold on those markets in an attempt to diversify sales. Products with a high value-added factor will be included on the list.

For these purposes, although he indicated that it is possible that no agreement will be signed at this time, Fraguio reported that he will be accompanied by a group of Argentine businessmen that has already made progress in the talks.

He also admitted the possibility of signing contracts with Poland for the construction of ships in Argentine shipyards.

Concerning the result of his efforts, the commerce secretary indicated that "the prospects are good," pointing out that during his visits he will also report on Argentina's present economic situation.

In addition to the topic of communist countries, the secretary was asked about the fact that the export sector has not yet seen the results of the recent adjustments in the exchange rate, and a group of meatpacking firms even reported that they had to suspend \$28 million in meat shipments.

In this regard, Fraguio said that the response will not be felt immediately, and that in any case he expects the effects of the exchange adjustments to become apparent soon. As for the meat industry in particular, he gave assurances that the National Meat Board will take the necessary measures to normalize the shipments.

8926

CSO: 3348/37

POLITICAL LEADERS INTERVIEWED ON NATIONAL CRISIS, POLITICAL FUTURE

Bravo to Leave Politics

Buenos Aires CONVICCION in Spanish 5 Oct 82 p 28

[Interview with San Juan Governor Leopoldo Bravo by Luis Domenianni, in San Juan; date not given]

[Text] [Question] Dr Bravo, CONVICCION would like to thank you for inviting us here to San Juan. Would you explain to us, please, whether your announced resignation as governor of San Juan implies, as the other political parties are calling for, "bloquismo's" abandonment of government responsibilities.

[Answer] First of all, not only am I leaving, but I have also decided not to accept any elected office, neither in the province or on the national level. Now then, I'm not leaving right away. I will leave when the circumstances so dictate, but it won't be long. As far as the rest of the party is concerned, it is not leaving. Of course the Executive Branch is going to enact a law under which the people who want to hold elected office in the future constitutional government will have to relinquish their current government responsibilities well ahead of time. When this happens, some men will leave, and others will stay, depending on their individual political goals.

[Question] Very well, but if you're leaving government, who will govern San Juan? Another bloquista? Someone apolitical?

[Answer] Look, I already told the San Juan political parties to agree on a person. As far as I'm concerned, it should be a person from San Juan of whatever political persuasion who belongs to a party. If they can't agree on a candidate, then it should be an Armed Forces officer.

(Bravo is speaking slowly in a hoarse voice, with gestures to reinforce his arguments. By this point in our talk, of course, I realize that he is extremely clever, that he is disclosing as little as possible, that you have to pry the rest out of him.)

[Answer continued] I want to settle down in Buenos Aires, see San Juan go it alone and not serve as a go-between anymore. I will contribute from the capital, but that's it.

[Question] What exactly is the relationship between bloquismo and FUFEP0 [Popular Federalist Forces]?

[Answer] I'll tell you something. I don't know whether any of our national political leaders is up to the task of fulfilling the people's hopes. Having said this, we are friendly with the FUFEP0 people, but the task must begin at home. We are not ruling out alliances with anyone. But first we are calling for a San Juan solution; so, we are looking for common ground with Peronism and the Crusade of Renovation [Cruzada Renovadora] (a major provincial party) and perhaps we'll form an alliance. With regard to FUFEP0, we're only looking.

[Question] It's very likely that there will be infighting in bloquismo for the first time. In what way will you be involved?

[Answer] About one-third of bloquismo wants the party to go further in its platform planks. I've given the order to let the boys speak up and stage their events. You have to gauge people's support and acknowledge whoever triumphs. Everyone has the right to express his ideas and, if he garners the most backing, to impose them.

[Question] What you're saying obviously sounds like total freedom of political expression and action...

[Answer] Of course. When large delegations of workers come to the governor's office, I meet with them in the garden. I listen to them. I remember what they tell me...

[Question] But doctor, how do you reconcile this with your statement that if the political parties do not agree on a governor for San Juan, a military officer ought to fill the post?

[Answer] Come on now (he laughs)...In order for them to come to terms... Since it looks like some of the cards are beginning to pop up, now's the time to have at it. That way all of them will come out.

[Question] Look, Don Leopoldo, this does not seem clear, because you're raising an option that might be valid for a provincial party but not for the provincial representative of a nationwide party, because a Peronist or a Radical obviously couldn't accept a governorship under the Process.

[Answer] You don't think that I could suffer the same damage as them?

[Question] Yes, but you've just announced your retirement from, shall we say, electoral politics.

[Answer] I have, but bloquismo hasn't

[Question] Well, but there are now two factions in bloquismo: one that backs the Process and one that doesn't.

[Answer] Well then, draw your own conclusions.

[Question] My conclusion is that some double-dealing is going on.

[Answer] No sir. One faction, which has a devotion to public service, came to save San Juan from the ruin that it was in. The other faction, which is more avant-garde, wants bloquismo to be more aggressive.

[Question] But neither faction criticizes you...

[Answer] There must be some reason for that. Why don't you come back in 2 weeks to visit some departments with me and you'll see whether the people of San Juan trust me or not. Bloquismo will win the upcoming provincial election, and I'm telling you that without any doubts in my mind. You have my personal invitation. Come and see. But as I've told you, of course, I'm not going to run.

[Question] People say that you want to be an ambassador...

[Answer] No. I was a diplomat for many years. No, I don't think so...I spent almost half of my adult life outside the country. So...

[Question] Thank you, doctor. I'll be back in San Juan.

(As I headed out through the gardens, Bravo called to me: "If I become an ambassador, will you come and visit for a few days?")

(Obviously, all the cards are not on the table, because there are more than enough options.)

Peronist Leader Matera

Buenos Aires CONVICCION in Spanish 22 Sep 82 p 24

[Interview with Peronist leader Raul Matera by Diego Dulce; date and place not given]

[Text] [Question] What do you think of the recent trade union actions and the ones scheduled to take place in the next few hours?

[Answer] As a politician, I think that the Armed Forces should show a united front to prevent the "Lebanonization" of the country or anarchy or civil war to the extent possible.

The protests by the two General Labor Confederations (CGT) are merely reactions, almost explosive reactions, to the plunge in worker wages, to the poor handling of union social benefits legislation and to the inadequate buying power of wages.

[Question] How can we avoid the threat of instability to the democratization process?

[Answer] The government's instability comes from within. The people who want to destabilize it are, in general, former officials and the remaining parasitic bureaucracy. In a word, they want the status quo, because that's their only hope of continuing to thrive within the government. The country's political forces, especially the largest ones, have shown restraint and stated that the government must reaffirm its pledge of a return to a state of law and to institutionalization.

March 1984

[Question] Do you agree with the people who assert that March 1984 is too distant a date for the transfer of power?

[Answer] I feel that if the period from now until March 1984 is taken proper advantage of by the military government, then it could prove to be an appropriate date.

If the government implements an emergency plan to alleviate the severe unemployment and wage inadequacies among workers, thus dispelling the danger of a social blowup, and if concurrently the government conducts exhaustive investigations into the issues that the public wants cleared up, for example, the blame for the country's huge debts, the problem of missing persons (which the justice system ought to investigate), corruption (which at some levels of the government bureaucracy has become public knowledge), and if the government conducts these investigations, informs the public and punishes the guilty, then the period from now until 1984 will be beneficial and feasible.

The Dialogue

Some people are pointing out that whereas the Peronist Council refused to meet with the Interior Ministry and kept a smooth dialogue going with the parties in the Multiparty Group, you were the only Peronist who spoke with representatives of the national government. Was this an indication of who your political allies were?

[Answer] Dialogue is the basic tool of politics. Therefore, dialogue with a government or with an adversary is a way to assert our principles and our rights as best we can. When Peronist Doctrinary Reaffirmation went to converse with the Armed Forces government, represented at the time by Minister Harguindeguy, we put before it the most harshly and incisively critical document that the Peronist Movement has produced in the last 6 years. In it we spelled out the economic and social devastation that then Minister Martinez de Hoz's liberal, monetarist and inhuman policies were causing in our country. We made it known that we did not agree with the philosophy behind this economic policy and that, therefore, we refused to make any piecemeal comments on it because this

would, in a way, imply acceptance of it. Some years later, we reaffirmed our principled and doctrinary stand to President Galtieri, stressed the accuracy of our previous diagnosis and ultimately urged a return to a state of law and an institutionalization.

[Question] Do you think the performance of the military governments adversely affected your own prestige within Peronism?

[Answer] If you're saying that our prestige as Peronists was impaired by having taken part in the dialogue, my answer is that our approach was totally accepted by the party leadership, from which we received more than a few compliments.

Furthermore, the party leadership's openness to a dialogue shortly thereafter and even up to the present showed that the approach we took was correct.

Past Mistakes

[Question] What mistakes must Peronism not make again if it comes to power?

[Answer] There aren't as many of them as the government that succeeded us will have to explain.

[Question] With what factions of Peronism might you ally yourself to have a chance to take over as party leader?

[Answer] There are coexisting factions in the Peronist Party. They pursue different approaches but they are firmly united by the Peronist national doctrine. If any one of these factions did not agree with the party's tenets, then I would not hesitate to assert that it had "parted company" with Peronism.

As is usually perhaps the case in such confrontations, the mainstream of the union is made up of the more moderate, more prudent factions.

Rogelio Frigerio

Buenos Aires CONVICCION in Spanish 24 Sep 82 p 28

[Interview with the first vice president of the Integration and Development Movement (MID), Rogelio Frigerio, by Julio C. Macchi; date and place not given]

[Text] [Question] The MID says that the crisis is so severe that the nation is on the verge of disintegration. It goes on to say that Argentina could lose its status as a nation. What is a disintegration and what does it mean to lose status as a nation?

[Answer] If we've gone from 5th to 40th place among countries in just 70 years and if over the past 7 years our gross domestic product has dropped to the level of 12 years ago, then we have to conclude that

our nation's economic contraction has severely impaired its status. Furthermore, over the last 7 years, as our nation's crisis has worsened, our foreign indebtedness has quintupled, the average wage is down by a half, industrial output has fallen to its 1964 level, about two million workers are unemployed or underemployed, and our inflation, even though it has been checked by the brutal economic contraction and lowered living standards, is the highest in the world.

[Question] Is the crisis only economic?

[Answer] Of course not; it's across-the-board. It affects social relations, the morale of the public and politics. I don't want to digress, so I'm focusing on this aspect of it, in which we can see that there is a gap between the attitude of leaders and the specific interests of the people they represent. There is a lack of awareness of the crisis itself, of its nature and its magnitude, with the result that the traditional groups are responding in a pro forma, politically superficial way and failing to provide explanations and solutions. Our status as a nation is being weakened and could eventually vanish because the government's decisions are being increasingly dictated by interests outside the nation. They are being so dictated because our general crisis is causing its own alignment of ruling groups and objectively weakening us.

[Question] Now then, what can the MID do to prevent such developments?

[Answer] Tell the truth, even if they call us prophets of doom, as when we announced what happened, or even if they say that we are exaggerating, as they are telling us now. Tell the truth and offer solutions, which is what we are doing.

[Question] As far as the MID is concerned, the solution to the crisis is development. But at this point do you still think development is possible?

[Answer] Yes. We believe that Argentina is deteriorating, but we also believe that Argentina is one of the Latin American countries with the best potential for development because it possesses enormous untapped resources. The paradox of underdevelopment is that available resources are not harnessed. Furthermore, Argentina is "viable" because it has reserves of political understanding and, in any event, can replace leaders who cling to the past.

[Question] Is development an end in itself?

[Answer] It is a requirement for strengthening a nation, and since in our day and age societies function within national frameworks, it is, therefore, a tool for social and individual accomplishment. It is conducive to freedom and to the improvement of the human condition, both materially and spiritually.

[Question] You keep telling the government that the answer is to make a 180 degree change in its basic policies. Don't you think that you're wasting your breath, because no one could believe today that they are going to listen to you and change course?

[Answer] There can be no solution without such a change. And we are not wasting our breath with our criticisms and proposals, regardless of whether the current government takes these steps or not. Someone has to raise these problems in a nation. This is a condition not only for resolving them but also for the very existence of a national awareness.

[Question] How can you achieve power to pursue development?

[Answer] With an alliance of social classes and sectors, which is feasible because they all have a common interest in development, and with a National Front to represent this alliance politically. Now then, a front is a front if it is based on a platform; it can't just be a bunch of groups banding together for electoral or other purposes.

[Question] The MID has decided to strengthen the party and has even rejected the interpretation of Frondizi's comment about the need for an election alliance. Do you feel that the MID is in a position today to compete with the Radicals and the Peronists at the polls?

[Answer] We have taken this path not because we are inward-looking but because we are convinced that only a strong MID can trigger the formation of the much-needed National Front. We are not interested in competition with the Radicals and the Peronists as an end in itself. We are interested in showing that they do not have a monopoly on grass-roots support, because this is a notion that is confusing the political process and the concept of a front. And we're certain, of course, that we're going to show this and that our performance will bring us close to victory.

[Question] If you run alone, what would the MID's presidential ticket be? Could it be Frondizi-Friggerio?

[Answer] We are a very orderly party, I would dare say the most orderly. We are in the process of organizing it and, at the same time, developing our political line, which we are doing with the broadest of debates and democratic participation. Therefore, we could hardly say in advance what the ticket would be when these preliminary issues are present.

[Question] If Frondizi, as he said in an interview with CONVICCION, drop out because he feels that he has held every position already, could you be a presidential candidate?

[Answer] I would repeat: we first have to set up the party's bodies and work out our political line. In this respect too we are different from the other parties.

[Question] Aside from what the MID is proposing, is there another way to overcome the crisis?

[Answer] If a program like the one we are outlining is not enacted, we see no solution. And I would remind you that unfortunately our predictions have been borne out to the letter during the political processes of the last decade or so.

[Question] We very often hear MID leaders claim that many of the accusations leveled at them are part of a psychological war against the party. Might you at times not have somewhat of a persecution complex?

[Answer] (He looked straight at me, almost measuring me, then smiled.) Look, psychological warfare is based not only on accusations, which, moreover, are becoming increasingly inconsistent. It's more and more ridiculous every day to harp on proposals that we refuted back in 1958. But as I said, the accusations are not all. There is a conspiracy of silence. The state-run mass media ignore us, and there are also leaders who would like to give the impression that we don't exist. This is not a persecution complex. This is something that can be verified by counting up the number of minutes that we're on television compared to the time that the other forces get, including minor parties or public figures that command no support other than their own.

Carlos Burundarena

Buenos Aires CONVICCION in Spanish 1 Oct 82 p 24

[Interview with former Education Minister Carlos Burundarena by Ines Rinett; date and place not given]

[Text] [Question] A few days ago you held a meeting with some 80 young people at a private spot and you talked about the principles of the opinion movement that you founded as Civic Action. What are the concerns, the fears and the hopes of these young people?

[Answer] I think that I should begin by stating that like the young people of every era, they want to uproot injustice permanently from all segments of political, economic and social life. They read and hear too many words and see too few deeds. They are not subversives, but one of their healthiest concerns is ascertaining what has been done to eliminate not the subversives but the reasons why people became subversives. They are lovers of peace, not violence, but in their genuinely youthful approach they place more emphasis on the end than on the means, and in this regard they are skeptical about the integrity of the means used by all actors.

They would like to see a very different Argentina, one that lives in peace, with solidarity, with justice and, consistent with the finest Argentine tradition, in freedom.

They feel quite confused and they realize that they are not prepared for action, but they want to act. Their big doubt is "where?" That doubt is my major worry because if they are disappointed in the end, they will drop completely out of politics or join new forms of subversion.

[Question] Your meetings with young people are said to be frequent. Are they part of an indoctrination effort?

[Answer] If by indoctrination you mean instruction, then of course what I am doing is indoctrination. The country is hungry for political training, and I think that this need has to be met. The only clarification that I have to make is that political training and party training are two different things. Political training enables a young person to place himself within the political and social context and to become quite familiar with it so that he is in a position to choose rationally among the various political parties if they serve the common good and, if they do not, to consider new paths for the medium and long run.

[Question] We know that Civic Action works not only with young people. Is it true that it has the support of certain intellectuals and writers?

[Answer] Yes. I don't think that anything important can be done for the life of the country without the lucid analysis of intellectuals and writers. Moreover, I don't think that Argentina has ever witnessed such a clear-cut assumption by intellectuals and writers of their responsibility to get involved. Furthermore, I think that the new paths that we will probably have to consider require their talent and imagination.

[Question] What is the simplest, briefest and most accurate definition of Civic Action?

[Answer] A movement of opinion, training and action to help transform an Argentina that is decadent in many respects into a pluralist community that deserves to be called civilized and in which the involvement of the people is not merely limited to the ballot box. The people must be able to take part in running the government, or to put it briefly, "to be present, not just represented." This was impossible in the past for technical reasons, especially in the area of communications, but this is no longer the case. We must proceed to create a Second Republic.

[Question] Do you visualize a democracy in the immediate future? Would your movement have a place in it?

[Answer] The immediate political future will be characterized by a democratic republic if the citizenry is genuinely involved through ongoing action and with the degree of courage required to change a situation that satisfies no one, and I would include the government here too.

Civic Action will deserve its place if it demonstrates that politics has to be conducted differently in Argentina, differently from how it has been conducted over the past 50 years. I think that the First Republic,

which in a way began with the May Revolution and the Declaration of Independence, has run its course in the country. The challenge facing all of our generations as we approach the 21st century is to be able to create and maintain a Second Republic that will jettison all of the dead weight from the First, letting the dead bury their dead, and to develop new forms, new methods tailored to a new Argentina in a world in which some eternal values survive but that has shown that others are useless, that the best we can say about them is that they were valid during a given period in history.

[Question] Do you see elections as a final solution or as a phase that will require the participation of all national groups in measures, which perhaps have not yet been thought of, to provide a framework for democracy?

[Answer] No, I don't think that elections as such are the final solution, because that would mean equating democracy with the ballot box. I do think, however, that they are a necessary but insufficient condition for the advent of better times in which, if possible, all groups will work together to build a more just and more humane Argentina.

[Question] How do you feel about the foreign debt, the controversy over the military action in the Malvinas Islands and the charges leveled every day by or against individuals who have held government posts?

[Answer] I think that the past can teach us a lesson, but I also think that we can learn from the words of Queen Isabella of Spain to the Moorish king, Boabdil, when he was weeping over the loss of Granada: "...Don't weep like a woman over what you were unable to defend like a man."

However, the past should serve only as a lesson about what the country must not do again. Let us have faith and let us work for the good of the homeland in the same way that we work for our own goals, while remembering that there will be no solution for Argentines until we have found a solution for Argentina.

8743

CSO: 3348/35

NATIONAL FIGURES EXPRESS VIEWS ON STAND-BY LOAN

Buenos Aires LA PRENSA in Spanish 1 Oct 82 sec 2 p 3

[Text] Argentina's use of a "stand-by" credit from the International Monetary Fund (IMF) to renegotiate its foreign debt has met with favorable responses among the economists, businessmen and politicians polled specifically about this question.

The opinions expressed did, however, uniformly reject the notion of implementing a recessive policy as a hypothetical condition for obtaining this kind of loan from the IMF.

Developmentist leader Rogelio Frigerio asserted that "to negotiate with the International Monetary Fund is necessary and possible," going on to say that this financial aid should be required "in order to open the doors to a broader financing that would permit the recovery of productive activity."

Radical Alfredo Concepcion, for his part, pointed out that "Argentina was right in attending the IMF meeting." He added that "the chaos in the economy and the private structure of Argentina is such that the instrumental mechanisms involved in the organization's traditional policy do not apply."

Justicialist Eduardo Amadeo, meanwhile, indicated that "the central issue is not the IMF or the stand-by loan, but a coherent plan and authority that will guarantee that with its enormous potential and with imaginative solutions, Argentina will be able to pay back its debt."

Economist Raul Suello, in turn, asserted that the negotiation with the IMF should take place "on the basis of an economic plan that allows for meeting its obligations through the expansion of the economy."

Garcia Martinez

Economist Luis Garcia Martinez came out in favor of an agreement between the government and the political parties, "because this will help the future government to work within a much clearer foreign debt situation. It is naive to think that a stand-by loan could lead to a deeper recession at this time," added Garcia Martinez, former adviser to Minister Jose Martinez de Hoz.

Economist Mario Brodersohn said that "a negotiation with the IMF should be seen as a simple instrumental action, not an end in itself in terms of economic policy."

He expressed the opinion that "it is not an issue that the political parties should discuss and make decisions on, just as they do not participate in determining wages, taxes, devaluations, and other no less important matters."

Businessman Oscar Chapiro, referring to his area of expertise, said that "if the stand-by loan means a deeper recession, it will damage the savings and loan sector."

Juan Manuel Freyre stated he does not believe "there is any better solution for this country," while Victor Palazzo said that "for Argentina it is not absolutely necessary" to agree on a stand-by loan with the IMF.

8926

CSO: 3348/37

OPTION TO DEVELOP NEW ECONOMIC RELATIONS REVIEWED

Buenos Aires LA NACION in Spanish 28 Sep 82 p 9

[Commentary by Carlos Pineiro Iniguez, economic and commercial adviser to the Argentine Economic and Foreign Trade Service]

[Text] Recent international events in which Argentina was an essential protagonist have amounted to a questioning of our place in the world, and have prompted us to reevaluate our foreign policies and our diplomatic action.

The question here is not whether Argentina belongs to the West, or whether it did belong to it and was betrayed; that is not the basic issue to be resolved.

Obviously, the West is not strictly a geographical space or a geostrategic system; it is a series of philosophical, religious and ethical principles that have little to do with U.S. consumerism or the peace-loving, anti-imperialist slogans of Europe.

In a way, Argentina has called into question the traditional world political system. The rigid bipolarity of the postwar period has been altered by the action of a bit player who ignores or challenges the leaders of the Western bloc, but who still reaffirms and adheres to the same principles.

What exactly happened? Argentina has discovered, perhaps by accident, that it is a Western nation but in the South. This simple but far-reaching truth implies a questioning of our position in the world, of our alliances and foreign policies.

Our country has also discovered that in addition to belonging to the Southern Hemisphere, it is part of a Western subculture, Latin America. This dilutes the old belief that due to mistakes and misunderstandings attributable to history and geography, we were a part of Europe that had been expelled and inserted in a foreign continent.

Transformation of International Economic Relations

This new international political situation goes hand in hand with an old phenomenon or process that Argentina tried to ignore: the transformation of

the international economic order. The simple nature of our foreign trade and the avid demand for our ~~min~~ and grains prevented our country from keeping up with the times on the ~~in~~tic and foreign fronts. We had a simplistic view of events that was blind to the worldwide changes in policies and productive structures that had developed since the end of World War II.

One constant in recent international conferences has been the continual advocacy of a "new international economic order" by industrialized nations as a valid means for overcoming underdevelopment.

These proposals, so often attempted, never solved the problems of the Southern Hemisphere. Today, a new strategy looms on the horizon in international organizations: "worldwide interdependence," which will supposedly help us achieve progress and well-being for humankind. It must be noted that this proposal by the developed world has a global scope; that is, it involves solving the problems of development through a common economic interest, assuming that the difficulties of the North and of the South are part of a whole that requires a joint solution.

The myriad policies established by the Southern Hemisphere run the gamut, from what we could call the insubordination of OPEC to the existing international economic order, to the birth of new foreign policies implemented by nations that advocate a total confrontation with the industrialized North, including the widespread use of associations of raw materials producers as ideal vehicles for exerting pressure and freeing up the North-South dialog.

These extremist proposals by the South, masked behind a strategy of confrontation, were diluted by the developed world's role as a competitor in the production of raw materials, and its power in setting prices and controlling marketing. A typical case is the weakening of "food power," an example that hits us close to home.

Another kind of proposal emanating from the North is the voluntarist plans such as that advanced by the Brandt Commission, based on postwar aid programs developed by the United States. These formulas, supported by a romantic Keynesianism, tried to remake old successes (the Marshall Plan), overlooking the fact that those aid programs were implemented in countries that were in ruins, but still had a coherent political and social organization, unlike the countries of the South today. The development phenomenon has never been confined exclusively to the economic factor.

Thus, we reach the conclusion that despite the difficulties and problems encountered in its execution, the South-South encounter is not a sterile dialog; it is this horizontal cooperation that may provide us with adequate means for organizing mutual economic assistance among the nations interested in surpassing the limits of underdevelopment.

It should be pointed out that this dialog or cooperation will not solve the problems of poverty by itself; to claim the contrary would be to ignore the nature of economic development and the problems that prevent modern production techniques and technological leadership by the countries of the South.

But the enhancement of inter-bloc economic and political relations will increase our joint bargaining power and raise our margin of independence with respect to developed countries.

Ultimate Possibility?

It is here where Argentina must play a key role, once we have found our place in the world and have recognized that we belong to a hemisphere that is engaged in a continual struggle for development; that we are part of a Latin America with which we can establish joint policies and move away from strict labels of rich and poor countries, since we do not fit into either of these categories, nor do we fit into the fictitious homogeneity that some would like to impose on developing countries. We must, then, undertake an aggressive policy of cooperation throughout the South. Using this relationship as a trampoline, we will be able to fulfill our potential and emerge from the state of inertia that has overcome us. We have the ability to temper our willpower and face this challenge.

Our country may never achieve the levels of wealth forecast by the futurists. The reasons for this are many: we have unwittingly passed up opportunities, and at the same time, the world has changed radically. Perhaps in the future we will be able to achieve a state of equilibrium with well-being for all, if we take advantage of our situation as a country at a crossroads, a privileged member of the Southern Hemisphere.

Africa, the Middle East, the Far East and even Latin America can be our closest allies in this new era we are entering.

Without being over-dramatic, this may be the last opportunity that history, always generous with our country, will offer us.

8926

CSO: 3348/37

GALLUP POLL INDICATES RISE IN VOTER PESSIMISM

Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Oct 82 p 3

[Text] In a poll conducted during the month of September, the Gallup Institute ascertained that pessimism has increased among the urban voters regarding their economic situation in the near future. In the same period last year, an identical poll showed that 35 percent believed that they would be living "much better" by the end of this year. Now, only 14 percent have optimistic expectations regarding 1983. In the opinion of 27 percent of those interviewed, the situation will be "a little worse" or "much worse" within a year.

The greatest percentage of pessimism--the difference between the percentages of those who expect a "better" life and those who expect a "worse" life--occurs in the states of the southern region (Rio Grande do Sul, Santa Catarina and Parana), where the difference dropped from 51 percent last year to 3 percent. In the southeast region (Sao Paulo, Rio de Janeiro, Minas and Espirito Santo) the decline in optimism was also sharp: from 46 percent to 16 percent.

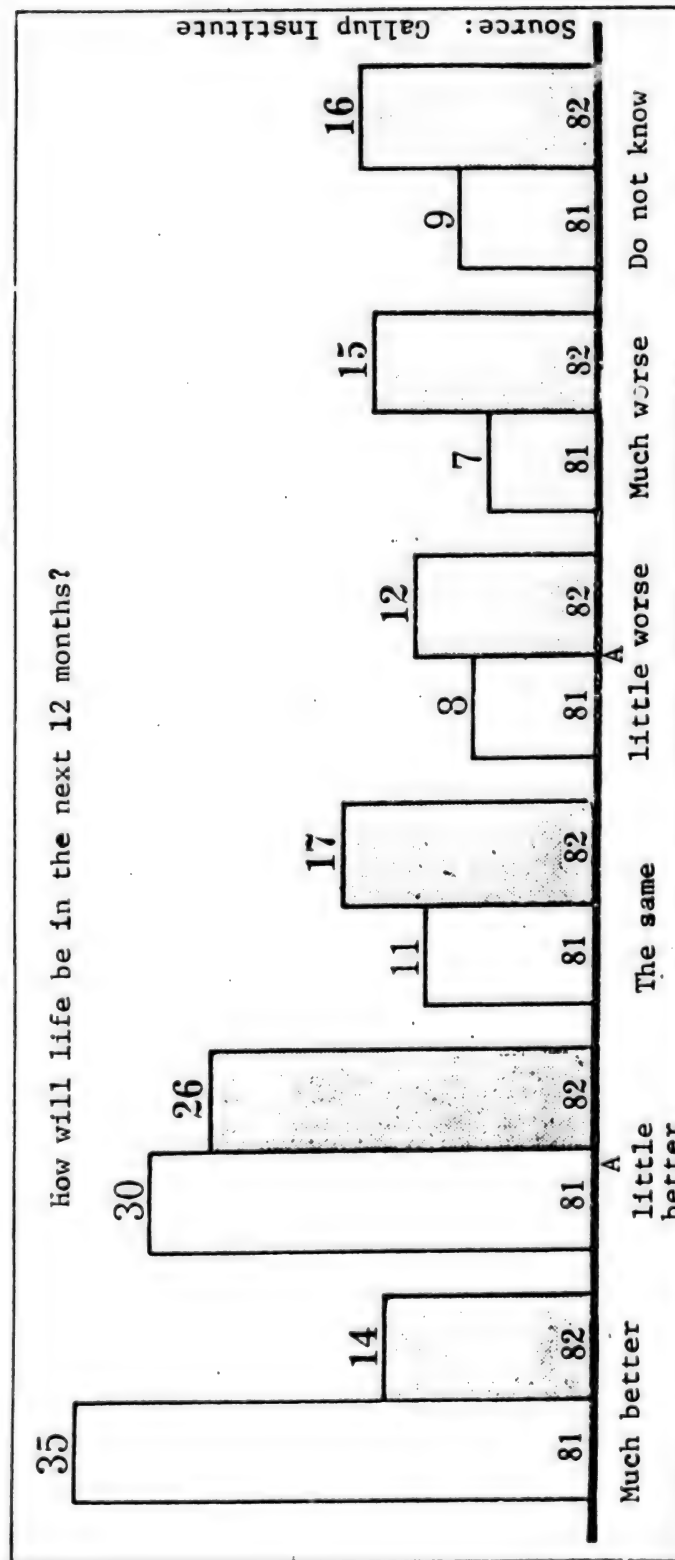
Interpretation

Consulting a sample of 2,526 persons of both sexes and all ages and different socio-economic levels of 20 states, Gallup asked: "In the next 12 months, do you personally believe that you will be living better or worse than today? If better or worse, much or just a little?"

The poll showed the following results: "much better" (14 percent), "a little better" (26 percent), "the same" (17 percent), "a little worse" (15 percent), and "cannot say" (16 percent). In September of last year, those replies showed the following percentages; 35, 30, 11, 8, 7 and 9 percent, respectively.

In the text that accompanies this year's poll, Gallup interprets the results, pointing out initially that "in general, even though the persons admit that the economic situation of the country may worsen, they usually believe that their personal economic situation may not be affected or may be little affected (...)."

"In these circumstances," concludes Gallup, "it can be said that the fact that 27 percent of the Brazilian electorate currently admits that it will be living worse in the coming 12 months is something extremely important when its attitudes regarding the future are examined."



Os que esperam uma vida "muito melhor" caíram de 35%, em setembro do ano passado, para 14%, em 82
 Those who expect a "much better" life dropped from 35% in September 1981 to 14% in 1982

VOTE-LINKAGE RULE PRESENTS PROBLEM IN SAO PAULO ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 82 p 4

[Text] About 10 percent of the voters in the state of Sao Paulo are still unaware of the total linkage of votes. This figure was obtained by the Research Department of O ESTADO DE SAO PAULO after making a new analysis of the sample surveyed in its last study published on 19 September. With the object of obtaining the closest possible result with reference to the official figures, this computation was based on the instructions for counting the results of the 15 November elections issued in Resolution 11,457 of the Superior Electoral Court and published by the newspaper yesterday. In addition to the voters who mentioned a candidate for governor and cited a candidate from another party for some other office, invalidating their vote according to the election law, the survey revealed that not all of those interviewed who indicated a name for governor are sure of their position.

Also in counting the votes for mayor, linkage resulted in the invalidation of 11 percent of the votes throughout the state, hurting mainly the Brazilian Labor Party (PTB), which lost half of its votes as a result, especially in Greater Sao Paulo. In the interior, the Social Democratic Party (PDS) also lost a significant margin--approximately 30 percent--while the Brazilian Democratic Movement Party (PMDB) would have almost 18 percent of its votes invalidated. In Greater Sao Paulo, the PDS loses 25 percent of its votes and the PMDB 20 percent.

Responding to the question: "If the elections were held today for whom would you vote for mayor?" 23 percent of the voters (except the capital) opted for the PDS--13 percent of the votes being valid; and 21 percent voted for the PMDB--17 percent of the votes being valid. In voting for governor, however, 26 percent of those interviewed throughout the state opted for candidate Franco Montoro (PMDB), while the supporters of the PDS (Reynaldo de Barros) amounted to only 15 percent of the total vote. In response to the question: "If the elections were held today, for whom would you vote for governor?" 11 percent of the voters opted for the Workers Party (PT) (Luis Ignacio da Silva), a percentage much higher than that obtained by this party when the question was asked about the vote for mayor (1 percent, only in the interior). The candidate of the Democratic Workers Party (PDT) Roge Ferreira, also managed to attract votes for his party although in a smaller number (1 percent of the total in the state), like Janio Quadros, who raises the percentage of votes for the PTB from 1 percent.

In the voting for governor, the PT is the one most affected by linkage, losing one-third of the votes in Greater Sao Paulo and more than half in the interior, although it regains ground in the capital. Of the total, one-third of those interviewed who opted for the PT would have their votes invalidated. In terms of total percentage of votes, however, the PMDB is the party most affected by linkage, losing 4 percent, corresponding to 15 percent of its votes.

That loss, however, does not influence the leadership of the PMDB in the capital, in greater Sao Paulo, or in the interior, where the PDS has an election bulwark that gives it second place, very close to the percentage obtained by Franco Montoro's party. In the capital, the PDS shows a slight advantage over the PT, which also loses to the government party in Greater Sao Paulo.

Undecided

All of the percentages shown by the survey, however, cover only 60 percent of those interviewed; the other 40 percent do not favor any party. The indecision regarding all offices is the main reason why 28.8 percent of the voters have not picked the party for which they will vote. In addition, one-tenth of the whole sample did not observe total linkage, thus having their votes invalidated. A similar percentage--10 percent--represents the votes of those interviewed who have not decided on their candidate for governor although they already have candidates for other offices. This figure is not very significant in the capital (2 percent) but it is sizable in Greater Sao Paulo (10 percent) and even greater in the interior (15 percentage).

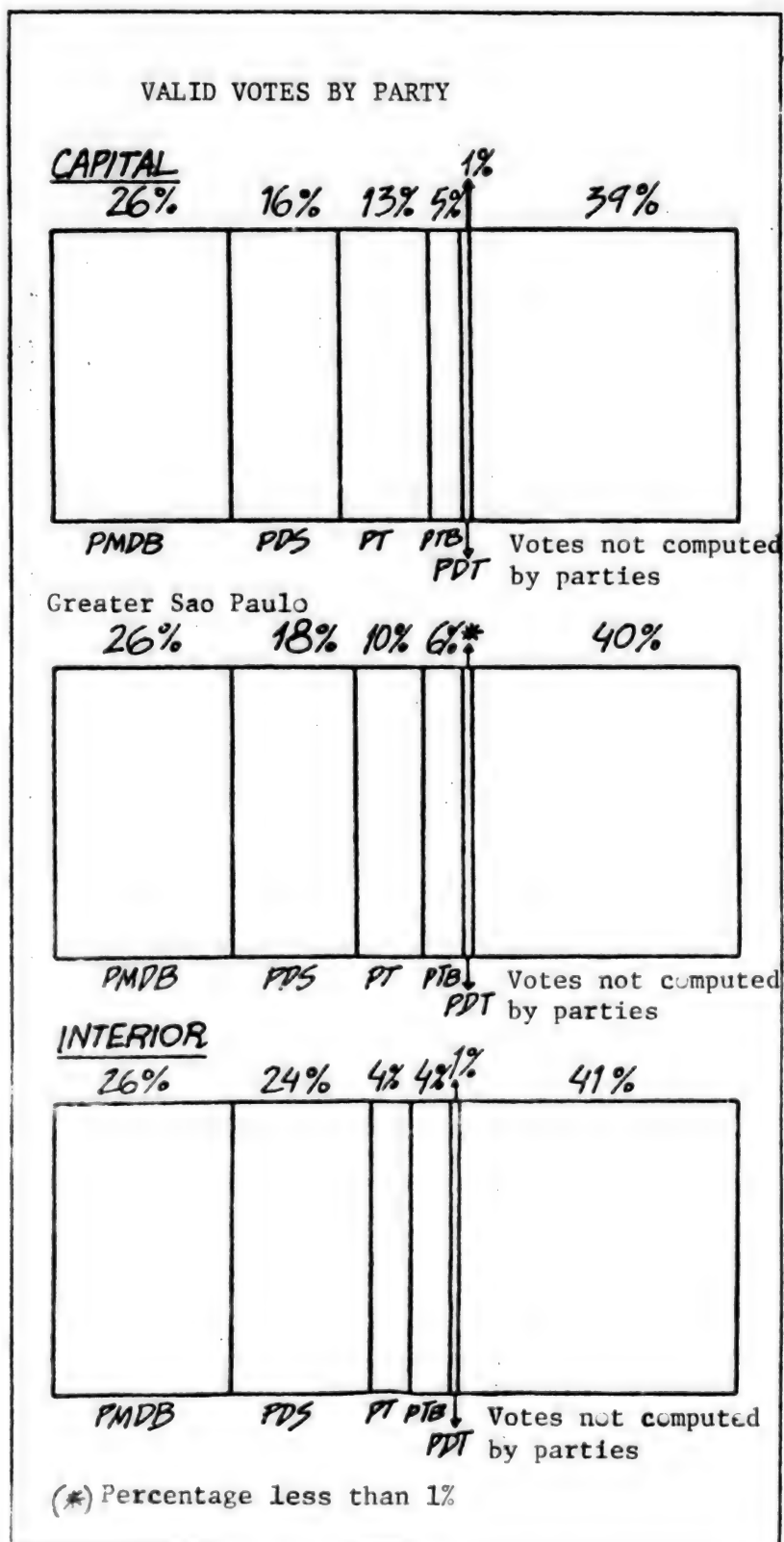
Conviction

Even among the voters who have already decided for whom to vote for governor, a portion of them showed that they have no conviction in that choice. In order to check that situation, the Research Department of O ESTADO initially formulated the question: "For which office have you already decided on the name of a candidate?" Then, it was stressed: "Any other office?" In another question, also applied to all those interviewed, the question was more objective: "In order for us to make a preliminary election forecast, if the elections were held today, for whom would you vote for governor?"

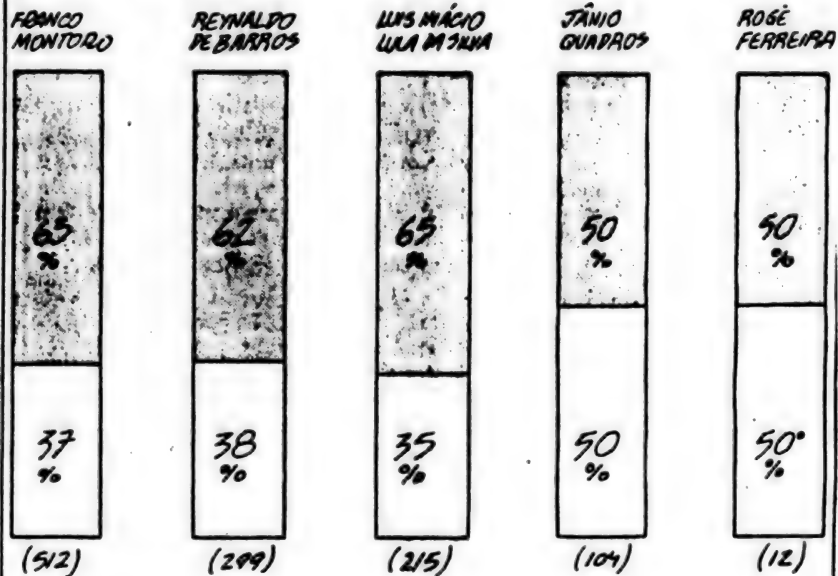
As a result of that questionnaire, the "undecided" voter was determined. In the computation of the figures, those who stated that they did not have a name for that office (first question) but indicated one of the candidates in the election forecast (second question) were placed into this category. Proportionately, the voters of Franco Montoro (63 percent), Reynaldo de Barros (62 percent) and Luis Ignacio da Silva (65 percent) are convinced of their vote because they reaffirmed the name of the candidate in responding to the second question (forecast), while only 50 percent of the voters of Roge Ferreira and Janio Quadros showed the same conviction.

The survey reveals that in determining their choice of a candidate for governor, the voters considered mainly the name of the candidates. Janio Quadros is a name that draws his voters strongly, inasmuch as 61 percent of them took his name into account in voting for the PTB. The party with the greatest drawing

length, which determines the vote of its voters at the rate of 41 percent, is the PMDB. Among those interviewed who opted for Franco Montoro, Reynaldo de Barros and Luis Ignacio da Silva, those who considered their candidacy linked to the respective party label ranges between 9 and 10 percent; and those who took only the candidate's name into account, ranges between 46 and 47 percent.



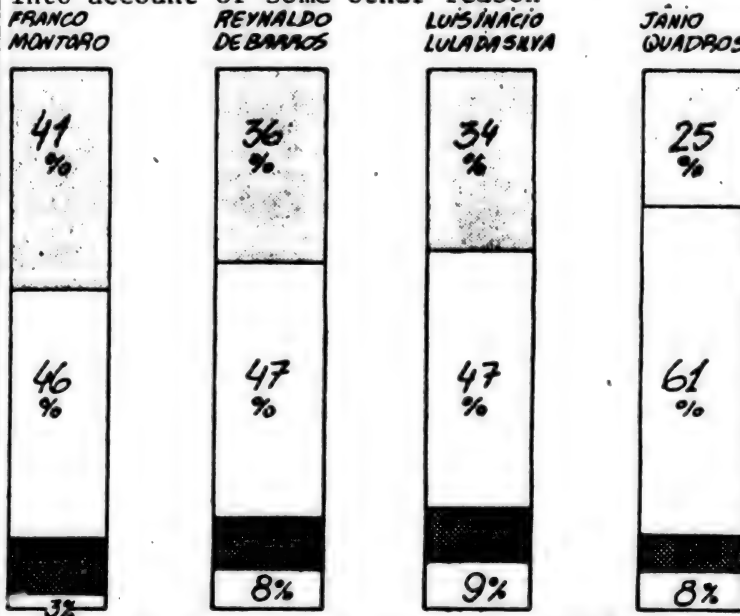
CONVICTION OF THE VOTE



☒ Decided
☐ Undecided

Factors considered in the decision for whom to vote for governor

In your choice did you take the name of the party into account or some other reason

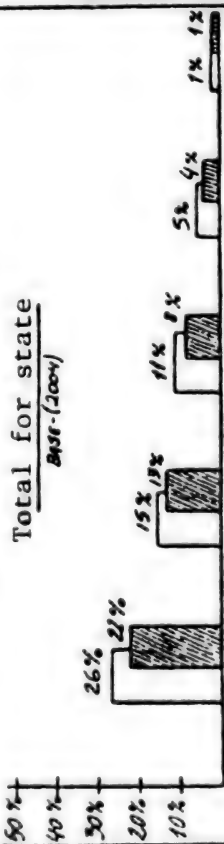


(*) The number of mentions obtained by candidate Roge Ferreira did not warrant inclusion in the tabulation. Those interviewed decided to vote for the office of governor

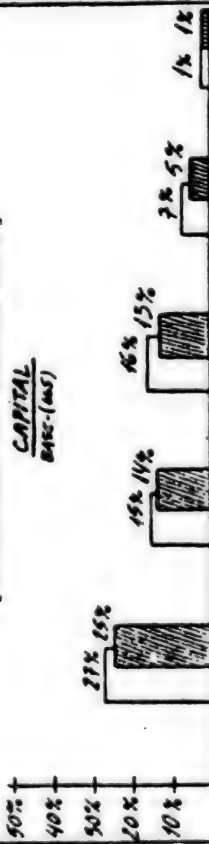
☒ Party
☐ Candidates
☒ Both
☐ Other reasons

Comparison between valid votes and votes obtained for governor

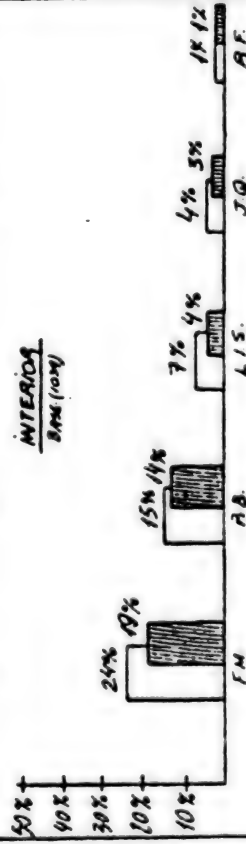
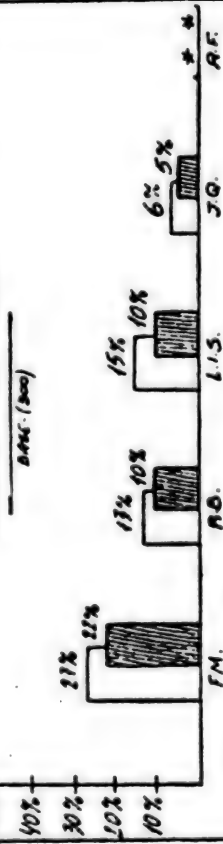
"To make a forecast, if elections were held today, for whom would you vote for governor?"



[Initials of candidates]



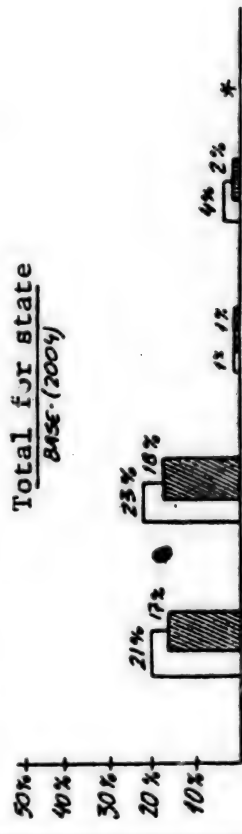
Greater Sao Paulo



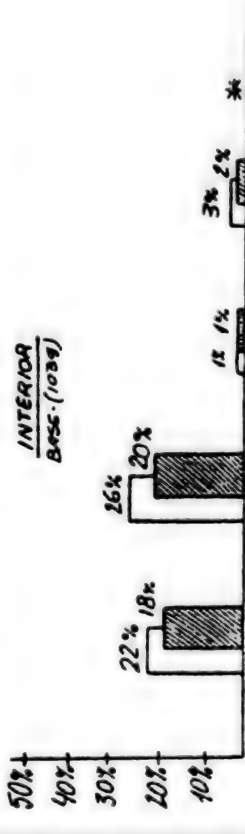
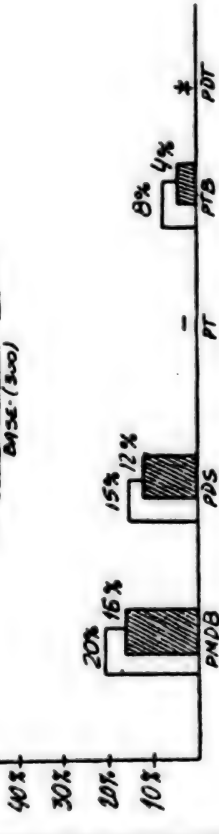
□ Obtained
▨ Valid

Comparison between valid votes and votes obtained for mayor according to party

To make a forecast, if elections were held today, for whom would you vote for mayor?



Greater Sao Paulo



(*) Figure less than 1%
Did not obtain any vote for the office

□ Obtained
▨ Valid

TAX DEDUCTIONS FOR 1982 INCREASE BY 23.47 PERCENT

Bogota EL TIEMPO in Spanish 9 Oct 82 pp 1-A, 6-A

[Text] The government yesterday adjusted by 23.47 percent the tax deductions for taxable and deductible items, in accordance with the cost of living indicators.

Through the Ministry of Finance and Public Credit, the government issued Decree No 2809 of 1982, which establishes the absolute values in national currency that affect tax rates for the 1982 tax year.

Director General of National Taxes Alba Lucia Orozco de Triana stated that the figures were adjusted by 23.47 percent, in accordance with the National Administrative Department of Statistics (DANE) certification of the percentage increase in the consumer price index for employees, obtained between 1 September 1981 and 1 September 1982. The adjustment for the year immediately prior to that was 27.75 percent.

Colombian taxpayers, explained the official, will be granted a decrease in the taxable bases for income and assets, and an increase in their tax deductions equal to 100 percent of the rise in the cost of living, as provided by Article 1 of Law 20 of 1979, better known as the "tax relief law."

The personal deduction for the taxpayer will be 3,600 pesos, 3,600 pesos for the spouse, and 1,800 pesos for any dependent. The deduction for wage withholding at the source was left at 25 percent of the first 39,000 pesos, plus 10 percent of anything above that figure. Last year the rate was 25 percent of the first 32,000 pesos plus 10 percent of anything exceeding that amount.

The deduction for housing rental in 1981 was 20 percent of the first 80,000 pesos plus 5 percent of any excess; the rates for 1982 will be 20 percent of the first 98,000 pesos plus 5 percent of any excess. For tax purposes, for the 1982 tax year, the minimum deduction for rent payments will be 3,000 pesos; before, it was 2,400 pesos.

Taxpayers who have work earnings may assign up to 105,000 pesos to the spouse in 1982, instead of the 1981 figure of 85,000.

People who earn income in excess of 71,000 pesos and/or possess in this country gross assets valued at more than 290,000 pesos, must file a tax return for the 1982 tax year.

In general, added Alba Lucia Orozco de Triana, the director general of national taxes, all the figures, deductions, exemptions, penalties and rates in the Colombian tax structure that are expressed in monetary terms have been adjusted by 23.47 percent in relation to the values in effect for the 1981 tax year. Thus, for example, 1982 property income is only taxable if the assessed valuation or the cost of the property is greater than 1.3 million pesos. Taxpayers who under current law must maintain accounting books need not report payments or income from transactions if the amount is less than 73,000 pesos, and the penalty for not issuing withholding certificates at the withholding source or not presenting the withholding report in a timely manner, is a fine of 3,600 to 180,000 pesos.

Retirement or disability pensions of no more than 39,000 pesos per month are exempt from national taxation. The complete text of the decree will be published by EL TIEMPO in next Monday's edition.

8926

CSO: 3348/62

CONTROLLER PAINTS DARK PORTRAIT OF FISCAL CONDITIONS

Bogota EL TIEMPO in Spanish 20 Oct 82 pp 1-A, 6-A

[Text] The government should abandon its severe budget austerity program because of its growing obligations to the public sector, and in the coming year it will see its revenues decline sharply, warned Controller General Rodolfo Gonzalez Garcia yesterday.

The wage adjustment in the civil service sector, which will match the inflation rate, plus the fiscal sacrifice of some 8 billion pesos because of lower exports, and the expected transfers to cover other payroll expenses, will cancel out the effects of scheduled cuts, according to two studies presented by the controller.

In the first document, which was sent to the presidents of the Senate and the House of Representatives, Bernardo Guerra Serna and Hernando Gomez Otalora, respectively, Gonzalez Garcia warns that the decline in the overall "historical" rate of the national budget for 1983 cannot be maintained.

In another document, which studies the "cost cutting" of the last administration as compared to the new one, Gonzalez Garcia asserts that all official revenues will fall in real or constant terms, and that the 3-point decline in the value added tax on coffee alone will cost the government 900 million this year and 2.25 billion next year.

Gonzalez Garcia outlined a series of factors that will aggravate the fiscal or monetary deficit by the end of this year, and that "will darken further the prospects for the coming year, 1983."

The income tax, which is not responding to the government's fiscal needs, will grow by a mere 24 percent this year, less than the inflation rate, without any sign of improvement for the coming year.

In another important area, the sales tax will reflect an even sharper contraction for the rest of this year and 1983.

This tax, according to the controller, was affected by the financial crisis, because people tended to invest their money in durable goods instead of "immediate mass consumption goods," according to his definition.

The tax base of the customs tariff will drop by about 20 percent, due to the restrictions the government itself imposed on imports of so-called superfluous goods.

The controversial Special Exchange Account, on the other hand, will also shrink in 1982, and in the case of the value added tax on coffee, the drop will amount to 12 percent.

Warning

Controller Gonzalez Garcia, in the document on the closing of accounts, issued the following warning:

"Analysis of the economic situation in terms of outlays and revenues reveals disturbing signs of growth in the fiscal (monetary) deficit, since, as can be seen on the spending side, there is considerable traditional pressure, increased by unusual levels of spending in the investment budget during the first months of the year. On the revenues side, on the contrary, the trends stemming from economic activity as well as government measures, as of the date of this report, indicate a general decline."

Higher Deficit

In the analysis sent to the presidents of the Senate and the House, the controller predicts for 1983 a fiscal deficit much higher than that which will be reported next 31 December, "without any short-term possibility of corrective measures."

Basically, the document sent to the legislative leaders tries to orient the legislators in the processing of next year's draft budget.

It also notes the importance of the fact that the government has already presented to Congress a bill for adding 21 billion pesos to the new budget. The bill was sent by the previous administration in an unusual move.

The controller analyzes the proposed spending, estimates the current income that will back up that spending, and evaluates the trends in public credit and the disturbing developments now being seen.

With regard to the latter, he comments:

"Undeniably, public credit, along with monetary expansion, has kept the fiscal deficit down, and has been the most dynamic element of recent times. In the series presented in tables 8 and 9, the growth rates of foreign credit are very telling, especially concerning the levels attained in 1979, 1980 and 1981, when a major part of the government's indebtedness capacity was tied up and future indebtedness possibilities were hamstrung. Pursuant to the legal mandate of Article 11 of Decree-Law 294/73, the budgeting corresponding to this sector reflects only the volume already contracted, and gives no indication of planned debts that will be made effective simultaneously with the execution of current debts.

"In sum, the calculation of revenues in the draft budget does not assume substantial increases over the previous period. This reveals that the government has reserved a possible margin for additions during the implementation of the budget when revenues can be reassessed. Nonetheless, within this context, the draft budget reflects real declining trends in the increases of certain taxes, and, furthermore, physical decreases in some taxes.

"The tax structure that prompted in recent years a strong dependence on current revenues associated with the influx from the external sector, is not maintaining that tendency in 1981 and 1982; the 1983 budget will depend more on revenues from domestic economic activity, which has experienced a slower development rate. In other words, the underestimation of revenues due to legal considerations and budgetary practices, will be partially confirmed by the lack of dynamism in the economic factors that determine the implementation of the budget."

Controller Urges Congress

In the final part of the second document, Gonzalez Garcia urges Congress to bear this in mind, after emphasizing the hazardous fiscal conditions of the present and future.

A mere reduction of allotments as a concept of austerity does not ensure greater efficiency, said the controller in another comment, responding to another of the proposals outlined by the new administration in terms of greater responsibility in the management of public spending.

The chief of national finances says this in conclusion:

"The above considerations suggest an increase in the fiscal deficit next year, without any short-term possibility of corrective measures. Austerity is a remedy that is limited by the need for the government to maintain basic services. A mere reduction of allotments as a concept of austerity does not ensure greater efficiency. On the contrary, it could increase inefficiency if the cuts take place in operative areas, and, as usual, levels of directive and administrative spending remain the same. The Controller's Office intends to implement cost accounting in the government so as to provide a more objective view of the problem of efficiency in public spending. It is obvious that the determining factor is social needs, which by their very nature continue to grow, paradoxically at a faster rate during times of recession, when government revenues tend to shrink.

"I beg your indulgence for the inevitable length of this document, and I urge you to place it in the Record, to the extent possible, trusting that once again it will serve as a useful tool in the Congress' implementation of next year's budget."

1976

50: 3348/62

JORGE LEZCANO DISCUSSES IPC MEETING RESULTS

Havana GRANMA WEEKLY REVIEW in English 10 Oct 82 p 3

[Article by Susana Lee]

[Text]

● "THE CUBAN delegation considers that the results of the 69th Conference of the Inter-Parliamentary Union were very positive given the resolutions that were adopted and the fact that the event was enhanced by the participation of Yasser Arafat, leader of the Palestine Liberation Organization. It also feels the meeting was in keeping with the interests and aspirations of all the progressive forces in the organization."

The above statement was made by Jorge Lezcano, member of the Central Committee of the Communist Party of Cuba, vice-president of the National Assembly of People's Power and head of the Cuban parliamentary group, who led the Cuban delegation to the 69th Inter-Parliamentary Conference, held in Rome September 14-22. The Cuban delegation was composed of Deputies Ramiro del Río, Elia García Patiño, Pedro García Lupiáñez and Marcia Diego; and José Luis Pujols, official of the National Assembly's international relations section.

"An analysis of a meeting of this type calls for the study of numerous factors that have a bearing on — and often determine — the adoption of a resolution; for example, the composition of the IPU itself, which results in situations that are different from those when governmental representatives meet. In the case of the IPU, many of the delegations are composed of various groups and each group expresses its particular views when it comes to voting. This is why sometimes there are cases of a divided vote within the same group," Lezcano explained.

"One of the most positive aspects of the Conference was the resolution on the situation in Lebanon. It condemned Israel, made very clear references to the United States' participation in the attack and expressed the participants' solidarity with the Palestinian and Lebanese peoples and the PLO. We view Yasser Arafat's presence at the

Conference as one of the event's most important political achievements, and it must be said that Arafat was given a rousing welcome by practically every delegation.

"Another positive aspect was the final resolution dealing with the elimination of colonialism, the struggle against neocolonialism and especially the need to take measures for the immediate and strict implementation of the UN program for Namibia.

"It is a good resolution, for it analyzes the problem of Namibia and condemns South Africa, the United States and the Western countries for obstructing its solution. A very positive amendment, proposed by Mozambique and Zimbabwe, was introduced, making it clear that the Cuban troops in Angola have nothing to do with the solution of the problem. Other positive aspects of the resolution are the references to the Malvinas case, supporting Argentina and condemning England — with the opposition of all the Western countries; the case of Puerto Rico as a colonial enclave — also opposed by the United States and most of the Western countries; and the views on Western Sahara and East Timor."

Also considered as very favorable were the resolutions on the world economic situation; the parliaments' contribution to disarmament and the cessation of the arms race and the threat of nuclear war; the environment; hunger and the need to guarantee food for the world's peoples; and the establishment of a committee to investigate the violation of human rights in Uruguay, Chile, Guatemala, Bolivia and Argentina.

The 69th Conference, which was attended by representatives of the parliaments of 91 countries — with 22 of the delegations headed by the leaders of their respective parliaments — elected Johannes Virolainen, of Finland, as president for the next three years, over the Belgian candidate, who had

the full backing of the United States and the other Western powers. It was resolved that the venue of the spring meeting be Helsinki, Finland, and that the host city for the 70th Conference be Seoul, South Korea. Peru's application for membership was accepted.

Jorge Lezcano drew attention to the excellent results of the two meetings held during the 69th Conference by the representatives of the parliaments of the non-aligned countries; the meeting of the Latin American delegations; and the meeting of the delegations from the socialist community, all of which contributed to a better understanding of the problems and topics being discussed in the conference.

CSO: 3200/10

PROGRESS IN COOPERATIVE MOVEMENT DISCUSSED

Havana BOHEMIA in Spanish 8 Oct 82, No 41, p 57

[Article by Alberto Pozo]

[Text] It is not really news that the cooperative movement is going well (41.5 percent of the peasant land). This is an obvious fact suitably demonstrated at the Sixth ANAP [National Association of Small Farmers] Congress. This development is merely confirmed now at the Second Plenum of the ANAP National Committee held on Saturday, 2 October, in the Ferias Agropecuarias auditorium in Rancho Boyeros, Havana.

In our opinion, it should be pointed out that no less than 131 of 133 economic balances received--98 percent--ended in the black and the other 2 only had small debit balances. On the average, 62 centavos were spent for each peso produced.

We can ask: Why isn't the emulation with the state enterprises already running on the track? At the Sixth Congress, it was emphasized that this would be extraordinarily beneficial for feeding the people.

As far as we have been able to learn, the state enterprises prefer to emulate by lot. This was not well received by the cooperative members who want to emulate with the enterprises. The state enterprises are also reluctant because of the requirement of cost per peso of production.

In our opinion, the truth is that the advantage now lies with the cooperatives because they are more organized, have more esprit de corps and have accumulated more experience in their cadres. This is no secret. The state's advantage is better equipment. As we have stated on previous occasions, no one questions the advantages of the cooperatives in the short run. In the long run, the situation is reversed. What is essential? To emulate in order to produce more. Facing this reality, delays are costly.

There is progress in the fraternal battle among cooperatives although it cannot be said that the emulation plan as a whole has taken hold. At the plenum, it was revealed that "it is necessary to do more," as Pepe indicated.

Of course, we run into /the mountain man/ [in boldface], the peasant who had an impact on the Sixth Congress because of his analysis of the situation in the high elevations and provoked the debate about concrete aid to those areas.

Gabriel Archer Witter of La Yamagua, Guama, Santiago, confirmed: "I already succeeded in forming the CPA [Agricultural and Livestock Cooperative]. The problem was fear of selling. However, since they already know that they will be protected by social security, the old people have broken the barrier. As to the youths, the best answer is that only two members are over 40. We are going to build a little village and provide the social conditions that attracted them. Education will be taken care of in this village. Now we are fighting against erosion. We have experience and we will conquer it. We accept an emulation challenge from a cooperative in Cabaiguan concerning coffee production and yield based on each indicator."

At the plenum it was learned that the plan to aid the mountain area is progressing. As to the cane CPA, there will be a meeting in Camaguey 28 October and 29 October to fight for 100,000 arrobas in yield. Another plan in progress is to achieve 100 cooperatives that yield 100,000 quintals of vegetables each to form the backbone of the ANAP production plan. Ten million quintals of vegetables! Of course, that will be done progressively.

In contrast, it was stressed that we are having a difficult year--little cold, dry (we are not confused by these recent rains in the capital) and, consequently, favorable to insects. The decision was to store the maximum.

During the debate, Nidia Frometa, a plant health technician at the Domingo Hernandez Cooperative, revealed that there was a shortage in boxes for gathering tomatoes at the end of July and a good number were lost. She also warned that insects are causing harm and it is necessary to study the situation. Valle de Caujeri is a natural hydroponic area because it can produce tomatoes all year long.

Another interesting aspect was offered by Leovigildo del Toro of Caujeri, Guantanamo, with other cooperative members from the mountains agreeing with him. "We are planting bananas inside the coffee and this is going well."

There was something we wanted to stress. There were complaints about contracts signed with MINAGRI [Ministry of Agriculture] and MINAZ [Ministry of the Sugar Industry] for bulldozing land. They have not been fulfilled with the subsequent problems. Pepe stated: "Resort to arbitration!"

Concerning experiences with unions of cooperatives, the impression was that the results until now have been satisfactory. In Tunas, for example, they yielded losses individually; united, they are profitable.

The results of the emulation for the 6 months are: Candelaria in Pinar del Rio, best municipality; Paquito Rosales in Baragua, Ciego de Avila, best CPA; Martires de Taguasco in Sancti Spiritus, best credit and service cooperative; and Etadio Gallare in Granma, best peasant association.

Provinces that achieved 50 percent of their land in cooperatives are Ciego de Avila, Matanzas, Villa Clara, Holguin and Sancti Spiritus. The winning province in the emulation was Havana and the Isle of Youth.

Jose Ramirez Cruz, alternate member of the Politburo and president of ANAP, summarized the conclusions: "To grow in area is good but the most important thing is to consolidate the existing cooperatives."

'PL' REPORTER DESCRIBES SITUATION IN LEBANON

Havana BOHEMIA in Spanish 8 Oct 82, No 41, pp 58-59

[Interview with Leonel Nodal, PRENSA LATINA correspondent in Beirut, by Pedro Rioseco; date and place not specified]

[Text] There are people we feel tied to emotionally without even knowing them. Sometimes there is a professional reason and at other times this is based on feelings of admiration or gratitude.

For all us Cubans--who feel the Zionist aggression against Lebanon and who still shake with indignation and anger about the crimes perpetrated against the Palestinian and Lebanese people--there is a name that became familiar to us by reading the daily by-line on his war reports and chronicles from the western sector of Beirut itself. Leonel Nodal had the great privilege of sharing the fight of the Palestinian and progressive Lebanese people against the Israeli invasion and the great responsibility of being the only Cuban journalist witnessing the historic battle of Beirut.

An exceptional witness for 4-1/2 years to one of the central conflicts of the present international political situation, the Camagueyan journalist is the PRENSA LATINA correspondent for the Middle East. He kept our people and the world--via PRENSA LATINA--informed about the heroic epic lived by the Palestine Resistance in the confusing situation of a country immersed in a classist civil war which they have tried to call sectarian.

He returned to our fatherland after his mission was carried out. On the small balcony of his Alamar apartment--in a building he helped construct as a member of a microbrigade--with the solicitous attention of Mayra and the noisy company of Leonelito and his friends, we began to talk like almost all journalists prefer--without an agenda.

[Question] Leonel, you lived there for the past few years. How would you define the determination of the Palestinian and progressive Lebanese people facing the Nazi-Zionist invasion?

[Answer] The attitude of the Palestinians and progressive Lebanese was, simply, heroic, showing an extraordinary courage unparalleled in the Arab world. They fought with the determination to win or die. We were greatly impressed

by the fact that the messages that their leaders sent to Commander in Chief Fidel Castro during the aggression ended with our motto of /Fatherland or death! We will win!/ [in boldface] They took this motto and converted it into a combat position in the streets of Beirut and on the more distant fronts.

Those who operated the antiaircraft guns, tanks or "katiuskas" were young people, boys, most of whom did not even know Palestine because they were born during the exodus, in refugee camps or in exile. Nevertheless, they fought to defend Lebanon and what the Palestine flag represents with a willingness to die fighting, without fear of falling during the battle.

[Question] Reading your chronicles of the farewell homage by the people of Beirut to the different contingents of Palestinian soldiers, we were moved as if we were right with you. The reactionary news media tried to show the evacuation as a defeat. What are your views on the departure of the Palestinian forces and the interpretation by the people of Palestine and Lebanon themselves?

[Answer] The evacuation was a decision of the Palestine revolution, made by its leadership as an act of gratitude and recognition of the sacrifice that the Lebanese people had already made for the Palestinian cause. Therefore, the decision to evacuate was a sovereign decision by the PLO precisely to prevent what happened later--the massacre of Lebanese and Palestinian civilians--or to prevent a final holocaust that prolongation of the battle until no Palestinian or progressive Lebanese soldier remained alive would mean.

The Palestinians left with dignity, with their heads high and with their personal weapons. They did not leave defeated but victorious. The farewell of each one, from the first to the last contingent of soldiers, was an act of revolutionary reaffirmation, of popular rejoicing and also of genuine emotion upon saying goodbye to their relatives and beloved friends who heroically resisted the enemy aggression.

When the Palestinian leadership said goodbye to the city with which they have such profound ties, we frequently saw women and men, old people and children, fighting for a place along the route of the caravans. They wanted to see the soldiers for the last time, throw rice at them for good luck, embrace them and give them flowers as a farewell that will always be until victory!

[Question] When you recall those moments, what is the last image you have of Beirut?

[Answer] The last image I have pictured in my mind is that wounded city, destroyed, with buildings swaying, cracked, and then falling to pieces. This and the children burned by napalm. Of all the horrors of this war, one thing that impressed us greatly was the bombings of hospitals, pediatric rooms and homes for the aged and mentally ill. They were all civilian targets, fully identified, that were unscrupulously bombed by the Zionist airplanes.

Another indelible image is that of thousands of women and children gathered in the only park in West Beirut. They lived outside without even a tent, sleeping on the ground together and going to the bathroom any place. Terrified

by the bombings and with their houses destroyed and no other belongings than what they could throw into a purse, they nourished the hope that since they were very visible from the air, the Israeli airplanes would not bomb them.

The vision of dozens and dozens of women and children walking blocks and blocks in search of a little drinking water is also unforgettable. As is known, Beirut had a total blockade of water, electricity, food and fuel. This caused desperate situations, especially with the supply of potable water. Many people broke up the streets, digging down where they thought the water pipes were, in order to break them and obtain the little liquid that might remain in them.

This blockade was also felt with extraordinary severity in the hospitals which lacked oxygen, blood plasma, anesthesia and many medications. The Palestinian and Lebanese doctors frequently had to perform major operations like amputations of the arms or legs of a wounded person without any anesthesia--with all the suffering that means--in order to save his life.

We were very impressed to learn that every day several hundred wounded people went to the hospital to die because there was no real medical care or resources to save their lives in these centers.

[Question] Leonel, in your analyses even during the weeks before the final Zionist aggression, you stressed the symptoms of decomposition of the present Israeli regime and the repercussions the invasion of Lebanon would have on its stability. This is being confirmed by recent events. Does it imply a potential danger for the Israeli Government?

[Answer] Yes, the problem is that the government of Menachem Begin is a government made up of the most reactionary, most colonialist and most partisan forces of colonialism and expansionism on Arab lands. This aggressive government had the approval and support of the U.S. administration as was demonstrated in the large shipments of weapons, equipment and financial aid and seen in the U.S. Government's refusal to condemn the aggression and the decision not to permit the UN Security Council to adopt sanctions or measures that would put an end to or mitigate that aggression. However, I think that the government of Begin and Sharon, the defense minister, had a time limit for this operation. They had to fulfill the proposed mission to liquidate the Palestinian leadership, not merely to destroy the military apparatus of the Palestine Resistance but even to physically liquidate its political institutions and its leadership. After the first week of aggression passed and the Begin government with all its resources did not manage to achieve that objective, it was already obvious, in our opinion, that Begin and Sharon were defeated. They had suffered a moral and political defeat and had also begun to suffer a military defeat. Anyone who has all the necessary resources to win a war in 72 hours or in a week and spends 12 weeks without achieving these objectives has failed.

In addition to this, it is necessary to consider the international scandal, the international condemnation that this war of extermination aroused. More than 30,000 men, women and children died and whole cities and major refugee camps were destroyed.

The Israeli Government itself was getting over its head in debt. A mission far beyond its possibilities was proposed and today that aggressiveness, this massacre, has aroused what is called a crisis of conscience in some progressive sectors of Israel. This crisis has spread and includes broader sectors that want to divorce themselves from this aggressive policy and from the stigma of murder and genocide for which the Begin government wants to make them all responsible.

Begin and Sharon face their most serious crisis. It will be very difficult for them to survive the negative consequences of their aggression.

[Question] In your opinion, what is the possible evolution of the situation in Lebanon after Amin Gemayel took power and the development of the latest events in Israel?

[Answer] You know that it is very difficult to make predictions because the period beginning now is filled with questions and doubts. Anyway, the course events will take, in my opinion, will no longer be the same as when Bechir Gemayel came to power. Although there are purely formal differences between the way Bechir and Amin belonged to the Falangist party, Amin is an experienced politician, a man with 14 years as a deputy, who is apparently more moderate in his actions. In these last months, Amin embraced conciliatory positions. For example, one day in the midst of the Israeli aggression he crossed the western sector of Beirut to see about the damage and destruction caused by the attack. He had contacts and talks with some progressive Lebanese political personalities. Even on the day of the most ferocious bombing the Israelis launched against the capital which lasted 11-1/2 hours without stop--12 August--he met with Prime Minister Shafiq Wazzan in the presidential palace and made a statement in favor of the preservation of the city of Beirut and the convocation of a national congress of all the political forces from the north, south, east and west, the left and the right, to promote a solution of national reconciliation. If Amin Gemayel follows this proposal, if he manages to set himself apart or break the commitments made by the Falangist militia and his brother with the Zionist state and if he chooses to act like a Lebanese and considers the importance of relations among all the communities, the need for Lebanon to recover its stability and its prosperity and for all the communities to participate in the government with equal rights, then it is possible that the country will eventually manage to recover from this disaster, this tragedy, of the Zionist invasion.

It seems to me that it will be very difficult for Lebanon to recover and for some Lebanese Government to recover its sovereignty as long as Begin and Sharon are in power in Israel. The declared objective of the Israeli invasion was precisely to curtail Lebanese sovereignty and to, as a minimum, create an Israeli satellite government there. This would approve--if not peace with the Zionist state--at least the creation of a security zone 45 kilometers wide on the Israeli-Lebanese border which would become a type of protectorate or territory colonized by Israel. As long as the political forces that act behind the present governing team in Tel Aviv persist in holding this military conquest, it will be very difficult for the Lebanese Government to apply an independent policy. Lebanon will achieve real sovereignty if, in the first

place, the Lebanese agree among themselves to make this independent and national policy prevail over any pressure. Secondly, the pressures of Israel must cease, the blind support of the United States for its expansionist and aggressive policy must end and it must stop being an accomplice in this aggression.

[Question] Tell us something about your experiences and how you felt as a Cuban journalist in this war so much like ours.

[Answer] I think that the 4-1/2 years permitted us to acquire an in-depth knowledge of the country, the people, many soldiers and leaders. The aggression and this war are such a major news event that I believe it was always beyond our capacity to report it. I never felt satisfied with what I did. I always had the concern of not being able to give all that there was to give. I wanted to report the essential, the most important part, but we especially tried to transfer images, to write about all those elements that participated in the war and to send a report that was comprehensible, clear, truthful and objective which would sensitize all the people in any part of the world to what was happening there. I can tell you one thing: once the aggression was widespread and the attacks were indiscriminate, by the mere fact of being there anyone could become a victim even if he was not a soldier. We were all interested in those reports reaching Cuba to denounce what was happening, the crime that was being committed there. I had always heard it said that the best stimulus for a journalist is to be published, to see his name heading a report. During those days, it seemed to me that the best stimulus was not that; it was to know that the testimony that one sends or the reports reach the people, reach the public, and have repercussions in acts of solidarity and mobilization of the progressive sectors and the honest men in any part of the world.

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REPORTAGE ON ANGOLA, NAMIBIAN INDEPENDENCE ISSUE

Dos Santos' Remarks

Havana GRANMA WEEKLY REVIEW in English 10 Oct 82 p 3

[Text]

● **LUANDA (PL).** — Only the independence of Namibia under a SWAPO government will safeguard the southern border of Angola, said Angolan President José Eduardo dos Santos.

The Angolan leader condemned the U.S. efforts to link the withdrawal of Cuban forces from Angola to the independence of Namibia and affirmed "Angola can't tolerate a security vacuum."

He said, "Cuba and Angola already indicated the conditions for withdrawal of those forces, as explicitly outlined in the statement of February 4 of this year, signed by both governments."

President Dos Santos reiterated his position that the demands of the United States, South Africa and the Contact Group of Five Western Countries regarding the withdrawal of Cuban forces are simply "a maneuver to conceal their opposition to genuine independence for Namibia."

"The South African racists are the ones who attack countries such as Angola, Mozambique, Lesotho, and Zimbabwe and it is unacceptable for the aggressors to claim to be victims."

The president denounced enemy propaganda campaigns aimed at presenting Angola as a country that is not really independent, labeling such propaganda as absurd.

"Power in Angola is solely in the hands of the Angolans and the MPLA-Party of Labor, which is the center of the workers' and peasants' power."

He recalled that Angolans had firsthand experience with colonialism and added that such propaganda will not confuse people who suffered the horrors of this system of exploitation.

Malmierca's Remarks

Havana GRANMA WEEKLY REVIEW in English 10 Oct 82 p 3

[Text]

TOKYO (PL). — Cuban Foreign Minister Isidoro Malmierca, speaking here, denounced South African attacks on the Namibian and Angolan peoples and reaffirmed that the presence of Cuban fighters in Angola is only of concern to the governments of Luanda and Havana.

Malmierca made these comments following a meeting with the vice-president of the House of Representatives of Japan, Haruo Okada, in the course of an official visit to this country that included a meeting with Prime Minister Zenko Suzuki.

South Africa doesn't want to grant independence to Namibia or respect the resolutions of the UN on the matter, so it tries to link the presence of Cuban soldiers in Angola to the Namibia issue; he said.

Only when South African forces withdraw south of the Orange River and threats to the independence of Angola cease will the Angolan and Cuban governments consider the possibility of resuming the process of cutting down the number of Cuban internationalist fighters, he added.

Malmierca also mentioned Washington's aggressive policy, which he said is the main obstacle to the normalization of relations between Cuba and the United States.

He stressed that Cuba tries to maintain normal relations with all countries based on mutual respect and reciprocal benefit and that the time will come when the United States will recognize this.

"Our country is not willing to pay a price which would imply any limitation of its independence or sovereignty in order to achieve such a normalization," he stated.

Regarding his three-day visit to Japan, the foreign minister said it had been positive for the further development of cultural, economic and political ties between the two nations.

He noted that despite their different social systems, Cuba and Japan share a common concern for world peace. He said ties of friendship between the two countries can serve as an example to the world.

CSO: 3200/10

COOPERATION AGREEMENT SIGNED WITH ALGERIA

Havana GRANMA WEEKLY REVIEW in English 10 Oct 82 p 4

[Article by Orlando Oramas]

[Text]

● A COOPERATION agreement between the Communist Party of Cuba and the FLN Party of Algeria was signed by Jesús Montané, alternate member of the Political Bureau, member of the Secretariat of the Central Committee of the Party and head of its General Department of Foreign Relations; and Slimane Hoffman, member of the Central Committee of the FLN Party and head of its Foreign Relations Commission.

The document, signed in order to deepen fraternal ties and promote cooperation between Cuba and Algeria in many fields, provides for consultations and exchanges of information in all fields related to the struggle against colonialism, neocolonialism, racism, Zionism and imperialism.

Following the ceremony, Montané said the agreement was a reflection of the solid ties existing between the peoples and Parties of Cuba and Algeria and their top leaders, Fidel Castro and Chadli Benjedid.

Hoffman said this marked a new stage in the ties between Cuba and Algeria and was an event of the greatest importance because it reflects the will "of our Parties to struggle together in the future, as we did in the past since the war of liberation."

Others at the signing ceremony included Rafael Polanco and Eloy Valdés, deputy chiefs of the General Department of Foreign Relations; Claudio Ramos, section chief; and other officials.

Algeria was also represented by Hocine Zatout, Algerian ambassador to Cuba; Chorfe Abdelmedjid, counselor of the Foreign Relations Commission; Tefridet Abdelkrim, chargé de mission in the Foreign Relations Commission; and other representatives of the Algerian embassy.

On the night of September 27, the Algerian delegation left for home. They were seen off by Jesús Montané and Flavio Bravo, president of the National Assembly of People's Power, along with other comrades.

BAUTA'S INCA EXPERIMENTAL CANE STATION VISITED

Havana BOHEMIA in Spanish 8 Oct 82, No 41, p 34

[Article by Andres Rodriguez]

[Text] Among its experimental stations, INCA [Institute of Agricultural Science] has two devoted to sugar cane: one in Baines and the other in Bauta, both in Havana Province.

However, it seems that the one in Bauta, perhaps because it is the stronger one, was able to expand some time ago beyond its 36 hectares of red soil.

Today that station--with its staff of 7 professionals and 12 intermediate technicians--serves 4 cane enterprises in Havana, 2 in Pinar del Rio and 9 out of the 11 in Granma. It began spreading through the west and now extends to one of the five eastern provinces.

The facts show that there have been growing ties with production which is an encouraging and necessary situation.

They are now working on three different lines: varieties, the basic one; phytotechnology and agrochemistry; and soils.

As to varieties, they have been able to make specific recommendations to the enterprises they serve based on particular soil characteristics although they use a limited number of varieties that others have researched.

On the day of the visit, we asked engineer Guillermo Galvez: "When can you recommend your own?"

He told us that they have already begun to work on varietal selection, but only very modestly and methodologically.

Galvez recognized that important problems are still pending solution, including inadequate knowledge of our genetic source, progenitors and methods of selection.

The work done on the other two lines of research are equally modest but very concrete. They are involved, for example, in the study of the combines'

compacting effects on the soil while, in the agrochemical sector, they are working on levels of application of fertilizers. Some aspects must still be solved, particularly in the last sector.

The encouraging thing, however, is that they continue on the path of a concrete tie with the /green tree of life/ [in boldface] which is decisive since practice will always be the real test.

We follow this tie closely with the hope that new results will materialize.

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'VENCEREMOS' COMMENTARY ON STATUS OF FORCES

PA070048 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT
6 Nov 82

[Station Commentary]

[Excerpts] The Reagan administration has obviously forgotten the historical lessons learned from the wars of liberation and is therefore persisting in its plans to interfere with the Salvadoran people's struggle by increasing its supply of arms and of military personnel trained in the United States.

It supplied helicopter gunships first, followed by the modern Dragonfly A-37 planes. But all of this has not helped the army's situation, which is more critical now than when it lacked such aircraft.

The Belloso battalion, trained in the United States, proved in its first combat situations that its offensive capacity was highly overrated. This battalion has taken more casualties in a short period than any of the other elite battalions.

The Reagan administration tried to give the regime's infantry forces additional offensive destructive power by supplying them with new weapons. However, as the FMLN forces have increased both their area of operations and their victories, the regime's troops have assumed a defensive role that renders their modern weapons useless. The truth is that though the regime has survived because of the logistical support provided by the Reagan administration, this support has not helped the regime to win a single battle against our revolutionary army.

The regime's army cannot win the war without good and experienced military officers, no matter how much advice it receives from the most brilliant U.S. strategists. The morale of the regime's elite troops has declined because of the high number of casualties inflicted upon the Belloso battalion, the Atlacatl battalion, the paratroopers and the counterinsurgency commandos, which were considered the most advanced units in antiguerrilla warfare 2 years ago, having been trained by the United States in the Panama canal zone.

The revolutionary forces have improved their ability to maneuver and their strategic ability, while the regime's army is forced to disperse its troops to try to cope with the FMLN forces, which have extended the theatre of military

operations. This has been made possible by the people's support; without the people's participation, our vanguard could not have achieved its victories over the regime's forces, which, despite all of the arms supplied by the Reagan administration, cannot stop the advance of our forces.

The FMLN forces' progress has been demonstrated in the military campaign that began in October and that is continuing in November, in a coordinate and decisive action on all of the war fronts. The results of the campaign's initial phase have been a total success from the strategic point of view, in our attacks, in eliminating the enemy, in seizing arms and in capturing prisoners of war. Our forces have occupied 20 towns, some of them abandoned by the enemy, in a strategic area that represents the regime's loss of control of an important part of the territory bordering on Honduras. This is further proof of the regime's inability to defend its positions. The regime is trying to conceal the true situation by launching a propaganda campaign, but no one has been fooled. The truth is that the regime's army, with its poor military tactics, does not dare to face our forces in a frontal fight.

While the regime keeps its troops in quarters, our vanguard is in control of extensive zones, important highways and more important, our vanguard is in direct and permanent contact with the population of the zones and towns that we control.

New methods of combat have been introduced in the military campaign that demonstrate the FMLN forces' progress in the use of light artillery weapons seized from the enemy and in their excellent operational ability. This ability was reflected in the destruction, months ago, of 70 percent of the regime's air force in a daring commando operation and in the sabotage of the oil refinery installations in Acajutla.

Our soldiers' excellent fighting ability has been confirmed by our control of highways; by the sabotage of energy and power installations, of communications centers and of highway transportation during the harvesting season; by the ambushes of the enemy; and by the recent attack on Suchitoto, only 40 km from San Salvador.

The FMLN has made significant advances in military communications, in improving the efficacy of its personnel in battle and in developing strategic coordination ability, which have enabled our forces to increase the areas under the FMLN's political and military control.

The militias' participation has been a significant factor in the progress of our forces' campaign. With admirable fighting spirit, the militias have not only destroyed roads and sabotaged power and communications lines, but have also launched a political and propaganda campaign from village to village, urging the people to join the FMLN's struggle.

The improvement displayed by the FMLN forces has put the regime's army on the defensive. The FMLN has taken the military initiative, with the support of thousands and thousands of Salvadorans, in the day to day tasks that will consolidate our victory.

The FMLN forces, consisting of the finest sons of the people, are advancing; nothing can stop them. The FMLN forces, both men and women, are the result of years of sacrifice by the people, who constructed their own instrument of liberation.

In this hour of victory, we wish to announce to the world's peoples that we have managed to form a disciplined and heroic people's army; thus, our absolute faith in our victory.

CSO: 3248/210

COUNTRY SECTION

EL SALVADOR

BRIEFS

NEW NORWEGIAN AMBASSADOR--Jan Arvesen, Norway's new plenipotentiary ambassador to El Salvador, presented his credentials to Salvadoran President Alvaro Magna. The ceremony took place yesterday in the diplomatic room of the presidential palace. Ambassador Arvesen is headquartered in Mexico City. [PA081502 San Salvador LA PRENSA FRAFICA in Spanish 29 Oct 82 pp 3, 21]

CSO: 3248/210

U.S., OTHER MEDIA ACCUSED OF DISTORTING FACTS

PA061548 Guatemala City PRENSA LIBRE in Spanish 27 Oct p 10

["Cactus" column by Alvaro Contreras Velez: "Irresponsible Journalism"]

[Text] Yesterday's article on "The Westernization of the East" was the result of more than 2 weeks of thought and analysis during our recent trip to the ROK and the PRC. The disappointing and sad aspects of the article were shared, as we found out from conversations with colleagues of central and South America, who are also witnessing and suffering, the continent's current drama.

We arrived in Seoul on 3 October, in response to an invitation to attend the 5th World Conference on Communications Media, which was organized and sponsored by the "News World Communications, Inc." That group is promoted and lead by the well-known and controversial Christian leader, Rev Sung Myung Moon, who is beloved and deified by his millions of followers, and also the target of curses and insults by his adversaries.

More than 200 people--political leaders, scientists and journalists from 70 countries of Asia, Africa, the south Pacific, Europe and America--were invited to the conference to discuss possible solutions to the economic, social and political problems endemic throughout the five continents.

Special emphasis was put on the important role that the news media plays as a balance in the sectarian struggles currently taking place all over the world and also as an interpreter of the thoughts and hopes of the peoples of each of the countries threatened by foreign ideologies.

Among the speeches at the conference, I was especially impressed by that of Misael Pastrana Borrero, former Colombian president and currently one of President Betancur's main advisers. Pastrana's address, "A Responsible Press," was delivered during one of the sessions of the conference. Pastrana was able to make a profound analysis of misinformation and the bias manipulation of the news. He got to the bottom of the difference between a responsible and an irresponsible press.

Good politician that he is, Pastrana did not mention anyone in particular, but the rest of us know which of the news media deal with misinformation and distortion of news on world events and events that did not occur, in order to speculate and spread rumors.

By association of ideas, we figured out that the news media to which he referred are those which are considered the "bosses of the press" in the land of the mafia and hot-dogs: The NEW YORK TIMES, the WASHINGTON POST, the LOS ANGELES TIMES, the MIAMI HERALD, the television networks ABC, CBS, NBC and their counterparts in Europe, Asia and elsewhere.

At the end of Pastrana's brilliant speech, some of the journalists present discussed the irreparable damage done particularly in the case of Chile, Argentina, Peru, and in central America to Guatemala and El Salvador, by the disreputable U.S. press with its lies as well as its sectarian, false and opportunist "liberalism."

Later, during a brief conversation with Pastrana, we mentioned to him the fact that his remarks coincided with what the "cactus" column has said in rejecting the dirty maneuvers of newsmen who have made significant progress technologically, but who each day become less truthful and objective as journalists, which is the same as saying that they are more hucksters than journalists.

CSO: 3248/211

BRIEFS

NEW TRADE AGREEMENT--The chairmen of Guatemalan and Argentine delegations yesterday signed the protocol for a new trade exchange agreement, which will become effective in 60 days. Once ratified, the agreement will open Guatemalan markets to Argentine products and vice versa. Deputy Economy Minister Carlos Enrique Orantes signed for Guatemala and Oswaldo Bauerle, deputy international trade relations secretary, signed for Argentina. Also attending the ceremony were Guatemalan Economy Minister Julio Matheu; Ronaldo Porta Espana, manager of the national center for promotion of Guatemala's exports, Guatexprop; and other officials from both countries. [PA081703 Guatemala City PRENSA LIBRE in Spanish 31 Oct 82 p 2]

NEW BELGIAN AMBASSADOR--Dr Pieter O. D. Maddens, Belgian ambassador to Guatemala, has presented his credentials to Guatemalan Foreign Minister Eduardo Castillo Arriola. The ceremony took place at the Guatemalan Foreign Ministry. [PA081512 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 25 Oct 82 p 5]

CSO: 3248/211

SHARP DROP IN MILK, OTHER FOOD SUPPLIES; BLACK MARKET THRIVES

Burgeoning Black Market

Bridgetown SUNDAY ADVOCATE-NEWS in English 17 Oct 82 p 3

[Text.]

Georgetown Guyana Saturday (CANA) — GUYANESE housewives are digging deeper into their purses these days, as the South American republic struggles with a foreign exchange crisis that has kept a range of imported foodstuff off the supermarket shelf.

In a country known for its long grocery queues, shoppers have been turning more to the black market, fuelled by smuggling across Guyana's borders.

Several food items, including flour, cereals, cooking oil, and milk are in short supply, months after the ruling Peoples' National Congress (PNC) said the Government was short of foreign exchange and was swinging the hatchet into a range of imports.

The cash problem was said to have worsened last year because of low earnings from major sources of foreign exchange — bauxite, rice and sugar. The Government's advice to consumers is to use more locally grown food or switch to other local substitutes. The suggestion to food growers is to increase production.

But in a number of cases, including refined cooking oil production, supplies to the consumer are still woefully inadequate.

In the meantime, Guyanese are paying \$7 for a pint of refined cooking oil on the black market. The Government's controlled price is \$2. The controlled price of a pint of crude cooking oil is 21 cents, but Guyanese are paying \$5 and \$6 on the blackmarket.

Milk Plant Situation

Georgetown GUYANA CHRONICLE in English 21 Oct 82 pp 4-5

[Text]

The Georgetown Milk Plant will resume operations from month-end a spokesman said. The plant had suspended operations owing to a shortage of raw materials for milk production. The management took the opportunity to effect urgent repairs to its aging machinery.

The spokesman, however, expressed management's concern about an alarming drop of milk supply from farmers along the entire East Coast of Demerara — the main milk collection region. This includes the cattle-rich Mahaica, Mahaicony and Abary region river areas which has a high concentration of cattle. The spokesman, quoting figures between October 15th and Sunday noted that only 21 gallons of

milk had been sold to the Company's collectors along the entire East Coast. On Sunday a mere two gallons were collected.

He blamed this situation on two main factors. The first is that vendors who have been out-of-work since plant closure last week have been travelling up to the farming areas and buying directly from the farmers.

Additionally some of the farmers prefer to sell at higher prices within the regions where they live.

Plant Manager Steve Surujbally told the Chronicle recently, that he felt farmers had a moral obligation to sell to the plant in lieu of increased prices offered. The price was raised from \$2.84 cents per gallon to \$3.45 cents.

During the last few months the 30-year-old

plant became the main supplier of 'liquid' milk to consumers owing to the non-importation of powdered milk. The plant, however, produces just about 4,000 gallons per day, a figure that is even below supply needs of Georgetown.

And an official of the European Economic Community (EEC) mission in Georgetown said that two consignments of skim milk powder have been handed over to the Guyana Embassy in Brussels for shipment to Guyana.

The powdered milk is mixed with cow's milk by the Plant and is supplied under the EEC's Food Programme. Proceeds from the sale of the milk by the plant are invested in developmental projects for the Livestock Industry Development Company (LIDCO).

Women's Action

Georgetown GUYANA CHRONICLE in English 21 Oct 82 p 4

[Text]

WHEN a quantity of Canada Best powdered milk went on sale last month, the Women's Revolutionary Socialist Movement's (WRSM) Kitty District watched helplessly as pregnant women and pensioners were thrown out of lines and forced to buy the milk at blackmarket prices.

But a group of women from the Kitty sub-district were determined that there would not be a repeat of this. So when milk was offered for sale

on Monday in the district, they banded themselves together forming "a one tin per person squad" which, they say, effectively allowed mothers and the aged to obtain supplies.

While the voluntary work of the group continues, daily experiences with deprived black-marketeers are becoming annoying.

Doreen Phillips, Co-ordinator of the Kitty sub-district told the Chronicle "I narrowly missed being

cuffed twice in the face by a huckster, whom I identified to a stallholder".

Supported by District Chairman Ella Braithwaite the sub-district wants the relevant agencies to allocate a small quantity to the Infant Welfare and Maternity League. Such a move would prevent mothers having to compete with black-marketeers and hoarders for supplies of milk.

SUGAR, RICE CROPS GIVE SIGNS OF SETTING HIGH MARKS

Record Week for Sugar

Georgetown SUNDAY CHRONICLE in English 17 Oct 82 p 1

[Text] A total of 10 800 tons of sugar was produced last week, the highest figure in many years, as Guysuco's 10 factories surpassed the reporting week's estimate of 10 515 tons by 285 tons.

This has brought the Second Crop total to 125 865 tons, which is above the estimated figure by 6765 tons. It is the seventh straight week that the industry has made over 10 000 tons of sugar.

For the year the industry has made 212 720 tons of sugar. With minimal rainfall in the latter part of the week and serious factory mechanical problems which affected Diamond, LBI, Leonora and Uitvlugt particularly, production for the reporting week must be regarded as good.

Five estates surpassed their targets and have been placed on the Guysuco Honours Roll. They are: Albion PM--2 275 tons, 325 tons over the target; Rose Hall produced 1520 tons, which is 270 tons more than its target; Enmore produced 230 tons more than its estimate of 1000 tons; LBI made 20 tons over its estimate of 890 tons and Diamond produced 825 tons--70 tons over its target.

Blairmont, notwithstanding these serious boiler problems, achieved 91 percent of its target thereby gaining honourable mention.

It appears that the rainy period is imminent; however, workers are expected to make maximum utilisation of the remaining opportunity days.

Meanwhile, it was announced that the third monthly tax-free production incentive for this crop will be paid on Friday, October 29, 1982.

Rice Prospects

Georgetown GUYANA CHRONICLE in English 19 Oct 82 p 1

[Text]

THE Guyana Rice Board expects to have its highest annual rice production figure since 1977, according to General Manager Leon Dundas.

Cde Dundas said yesterday that after reaping the second crop, 186,000 tons of rice should be produced for the year.

He explained that the first crop produced 87,000 tons and 99,000 tons is expected from the second crop. In 1977 he recalled, the total production figure for the year was 211,000 tons.

Cde Dundas further stated that 600 tons and 500 sacks of rice will be shipped out of Guyana

today, by the Board. He said that the M.V. Alexander K will carry 200 tons to Martinique while 400 tons will be carried to Guadeloupe, and 500 sacks of packaged rice will leave for Trinidad and Tobago aboard the M.V. Edan.

A 500-ton shipment of rice recently left for Jamaica to compensate an overpayment for rice made by that island to the GRB last year. The General Manager said that Jamaica has not purchased rice from the Board for the year, but attempts are still being made to get rice sales arranged in that Caribbean state.

CSO: 3298/076

PRICE FOR PIGS RAISED BUT OUTPUT, AS WITH CHICKENS, LAGS

Georgetown GUYANA CHRONICLE in English 21 Oct 82 p 8

[Text] The ham and bacon plant at Farm, East Bank, Demerara has again increased the price for pigs carcasses in the desperate effort to put out enough pork products for Christmas.

The latest increase announced this week would bring farmers \$3.50 per pound carcass weight for their pigs. Last week the price was \$3.25 and three weeks before that the price was \$3.00 per pound.

But even this third increase since August when the price was \$2.60 has not yielded tangible results, according to Dr Thomas Richmond, Manager of the state-owned ham and bacon plant.

Dr Richmond, who has been scouring the countryside and has covered the entire Berbice and Demerara counties, said for the last two months the plant has only been able to get about 100 pigs per month.

"We are accustomed to handling between 600 and 1200 pigs per month, from September to December," he disclosed.

Dr Richmond said the plant had been losing animals to private butchers because of the shortage of chickens and the problem of unavailability of feed.

"The farmers claim that even when they get the feed the quantity is not adequate and the quality is not the best," Dr Richmond told the Chronicle.

He added, though, that now the plant was paying a higher price than the private butchers, he hoped to get better results.

Dr Richmond said he was optimistic that the price rise incentive would bear fruit early. He is to visit Essequibo in his continuing quest to secure pigs for the plant which is under the umbrella of the Guyana Pharmaceutical Corporation.

The ham and bacon plant, previously under the control of the Guyana Marketing Corporation, is traditionally one of the main suppliers of ham and bacon, particularly at Christmas.

CSO: 3298/076

PRESIDENT DUVALIER GRANTS INTERVIEW TO NATIONAL TV

Port-au-Prince LE NOUVEAU MONDE in French 25-26 Sep 82 pp 1, 8

[Interview with President Jean-Claude Duvalier: "Interview Granted by the Chief of State to National Television"; date and place not given]

[Text] [Question] - 1. Mr president-for-life of the republic, it will soon be 12 years since, succeeding your father, Dr Francois Duvalier, you took over direction of the affairs of state. Would you like to present, for your fellow citizens, the broad outlines of the Duvalier doctrine that you inherited?

[Answer] - 1. The movement of 1957 that fostered the triumph of Dr Francois Duvalier at the ballot box resulted from the powerful popular current that came into being in 1946. That movement was the bearer of the ideals of justice and social equality. It also promoted the principle of national sovereignty and respect for the national traditions on the cultural and political level. My father, who was one of the artisans of the Revolution of 1946, naturally continued to draw inspiration from those ideals and principles, which he made the basis of his political philosophy.

Among these ideals and principles, I can cite at random:

- Haitian nationalism, without ruling out intelligent cooperation with other powerful friends;
- restoration to the urban and rural masses of their inalienable right as full-fledged children of the Haitian nation--in other words, their integration into the political and social life of Haiti;
- strengthening of the authority of the state for the purpose of ridding our community of the waves of anarchy that formerly threatened our institutions;
- equal access for all social categories, on the basis of the personal merit of each, to every propitious opportunity in life;
- the solidarity of all the children of Haiti in the face of the burdens and responsibilities implied by the functioning of our institutions;
- multiplication of jobs;
- the setting-up of infrastructures of all kinds so as to accelerate the economic and social development of Haiti;

--decentralization of the provinces, for balanced development of the country;
--strengthening of the personality of Haiti in the international context.

As you can tell, this constitutes an entire program inspired by Duvalierism, one that Jean-Claudism intends to apply.

[Question] - 2. "My father made the political revolution; I will make the economic revolution." Does this now famous statement of yours, Mr president-for-life, express the relationship between Duvalierism and Jean-Claudism?

[Answer] - 2. My father consecrated and consolidated, through the institutions that he set up from 1957 to 1971, the taking of power by the middle classes and the masses of the cities and the rural areas. This has resulted in deep upheavals and profound transformations within society and the political institutions of our country.

The single chamber (monocameralism), the creation of the VSN's [expansion unknown], the Labor Code, the Rural Code, the presidency-for-life--all these are innovations that characterize the first period of the Duvalierist Revolution and that make it possible to see the outlines of that political revolution, since a new class of men has taken on the responsibilities of power since that time, to the benefit of the vast majority constituted by the elements of the middle and poor classes of the urban and rural regions.

This, then, is the heritage that he left me and from which I have been able to draw the following conclusion: for the first time, Haiti has the benefit of political stability. The conditions were thus laid for development of the country. I have therefore decided to promote national and foreign private investment, to build the basic infrastructures with the help of international cooperation, to introduce the Haitian economy into the major circuits of world trade while at the same time modernizing the structures at all levels.

It is for that purpose that the necessary infrastructures have been set up across the country: roads, electricity, schools, hospitals, drinking water, etc. Institutional improvement work has been done to facilitate the establishment of new industries. The creation of new industrial parks and of the free zone of Port-au-Prince should give this sector a new impulse.

Thus, Jean-Claudism is only continuing a movement begun in 1957, imprinting a new dynamic on it on the basis of the achievements of the political revolution carried out by Duvalierism--achievements that remain irreversible. Naturally, in function of the new political situation arising from the stability established by my father, I have worked to promote national reconciliation and a democratic climate propitious to dialogue, so as to stimulate broader participation in the national development effort.

To sum up, let us say that Jean-Claudism continues Duvalierism, adapting it to the new political conditions, which, for that matter, are the result of the stubbornness, firmness and sacrifices practiced by Dr Francois Duvalier and his valiant companions and disciples in what is commonly called "the explosive period."

[Question] - 3. Mr president-for-life, over these last 11 years you have repeatedly called for national reconciliation. What is the deep significance of this reiterated gesture?

[Answer] - 3. I have never ceased proclaiming, since my accession to the presidency, my determination to carry out successfully a policy of liberalization and democratization. The recent creation of the National Commission on Human Rights, our decision to hold elections at the municipality level shortly, and our frequently repeated appeals to our compatriots in the diaspora prove our determination to achieve the great national reconciliation that will make possible the participation of all citizens in the economic revolution.

It was a week ago that administrative measures were taken to give concrete form to these appeals to the Haitians overseas. The policy of the outstretched hand is therefore a constant in Jean-Claudism.

[Question] - 4. Mr president, for several months there has been the impression that our country, like almost all the rest of the Third World, is showing signs of exhaustion. How do you reconcile the great economic ambitions you nurture for Haiti with the restrictions imposed by the current situation?

[Answer] - 4. The current financial situation has slowed down the rate of growth in all countries of the Third World. Nor has Haiti escaped the harmful consequences of the deterioration in the terms of exchange, in inflation and the world recession, in the savage rise in interest rates and in the prolonged disorders of the monetary system. The fallout from Cyclone Allen and the defects in our internal structures themselves have contributed to the aggravation of our situation on the economic and financial level.

We have therefore been obliged to adopt restrictive measures at the budgetary level, while at the same time improving our management methods on the fiscal, monetary and administrative levels, so as to create the conditions for guaranteeing continuance and then strengthening of the aid of the international financing organisms and the other partners in international cooperation. The situation has therefore imposed a slowdown in the development effort.

But it has also made it possible to make certain revisions in our concepts and orientations, in the direction of better profitability of investment.

Efforts are thus created for gradual resumption of growth, but with particular preoccupations and the concern for a more just distribution of national wealth. None of the objectives of the economic revolution is modified by this; it is rather a matter of correcting aim.

[Question] - 5. Liberalism on the political plane, development in the economic and social domain--these, Mr president, are therefore the dominant themes of your domestic policy. On the level of foreign policy, what are your government's great priorities?

[Answer] - 5. My foreign policy has always been an extension of the great priorities of domestic policy. This amounts to saying that diplomacy has been

placed at the service of national development. To that end, the following main orientations have guided our diplomatic action: strengthening of the special bonds with our traditional allies--the United States, France, Canada, the FRG, the Republic of China and Israel, etc.

Consolidation of relations with our allies of the inter-American system and the EEC.

Opening toward the countries of the Caribbean and Africa. For that matter, my father had opened the way in this direction by receiving eminent statesmen of Black Africa in Port-au-Prince and by establishing representations in many capitals of that continent. I have accentuated this movement of rapprochement that has been expressed, among other things, by the visits to Haiti by Presidents Sekou Toure and Senghor.

As for the Caribbean, one should recall my wife's visit to Prime Minister Seaga last year and our country's increased participation in all meetings concerning the development of this region, as well as our two meetings with President Guzman Fernandez, on the Haitian-Dominican border.

[Question] - 6. Has this development-oriented diplomacy borne its fruits?

[Answer] - 6. Your question brings us to the fourth and most important aspect of our diplomatic action: our numerous initiatives in the direction of the big international institutions, which have resulted in multisectorial development programs carried on by the UNDP [UN Development Program], FAO [Food and Agricultural Organization], UNICEF and UNESCO. We mention also the many actions by the international financing organisms--the IDB [Islamic Development Bank], the World Bank, the International Monetary Fund--which have made their contribution to our development program. Thus, Haiti is benefiting not only from the bilateral aid coming from our traditional allies but also from a contribution--still insufficient, to be sure--by the big international institutions.

[Question] - 7. What action are you intending to take, Mr president, in order for our country to be able to obtain greater aid?

[Answer] - 7. In the course of the last 12 months, whether in the UN, at the meeting of the Less-Advanced Countries or on the occasion of bilateral contacts, we have pleaded for an accentuation of the international aid to our country. The position we have taken parallels that of all the countries of the Third World, who are demanding a less unjust and less discriminatory international economic order. We are going to stay on the offensive at all levels in order to obtain far more substantial financial and technical action in favor of Haiti. Respect for the financial obligations and ideological principles that bind us to the Free World should lead to our obtaining better consideration from our partners and providing us with the economic, financial and technical means for continuance of our development program. It is time for Haiti to stop being treated like a poor relation.

[Question] - 8. Mr president, the silver anniversary of Duvalierism is being celebrated at a time when the Third World is undergoing torment. How do you place Haiti in this situation, and what, in your view, are the outlooks for our country?

[Answer] - 8. Haiti, in this turmoil, remains an example of stability on the political level. In effect, we are one of the rare poor countries to have succeeded in coping with the serious difficulties of the economic situation without political equilibrium being affected. This is indisputable proof of the viability of the Haitian political system and it is an eloquent demonstration of the strength of Duvalierism and Jean-Claudism. But in view of the reluctance of the wealthy countries to modify their behavior toward the poor countries, no responsible Third World statesman can display too much optimism. However this may be, we are going to continue the development battle resolutely. While the economic situation has imposed restrictions on us on the budgetary level and in the administrative domain, our objectives must remain the same: "Economic and social promotion of the urban and rural masses, who represent the national majority."

All our efforts, whether in the area of investment or on the fiscal, health and educational levels, must express our profound social sensitivity. This is the cost at which the equilibrium of our society and of our institutions will be safeguarded and strengthened.

On the occasion of the 25th anniversary of Duvalierism, I want to remind all Haitians of the fundamental orientation of Jean-Claudism, which I can summarize this way: "Greater solidarity for a more equitable distribution of goods and services."

[Question] - 9. Over a period of 9 years, both national and international public opinion became accustomed to your image as a young chief of state, and a bachelor to boot. Would it be indiscreet to ask you, your excellency, to what extent your marriage, in May 1980, has influenced your management of public affairs?

[Answer] - 9. Your question is not at all indiscreet. I am even happy that you asked it, in view of the fact that it enables me to pay well-deserved homage to a dear person.

I consider that any man called on to exercise a responsibility so important as that of chief of state should have at his side a companion capable of backing him up and helping him to endure better the trials inherent in that high function. Furthermore, it is a tradition to which nearly all heads of government of this country have submitted.

Perhaps, in expressing myself in this way, I am not in line with the confirmed bachelor's points of view as exemplified by Alexandre Petion or Stenio Vincent, who, after all, were excellent heads of state. I cannot help but observe, though, that the office of president for a man of my age is certainly more exalting when there are two to share it.

My wife is an inestimable help to me. Her presence at my side, her courage, her altruism and her devotion to the cause for which I am sacrificing myself have been decisive factors in the success of certain points of my social program.

More than any other person in my entourage, it is she who has contributed most to bringing out the profoundly humanitarian character of my social policy. The work she has done in so short a time has been gigantic. Every day, the underprivileged classes of the population show profound gratitude to her.

I am proud of her, and we have mutual confidence and admiration for one another.

[Question] - 10. Mr president, what would you say to the entire Haitian people if they asked for a watchword right now?

[Answer] - 10. I would tell them to have confidence, as I have confidence in their capacity to participate enthusiastically in construction of the Haitian society of democratic equilibrium and general well-being initiated by Jean-Claude at the government level.

11267

CSO: 3219/6

NICARAGUAN REFUGEES IN COUNTRY AFRAID TO RETURN

Tegucigalpa LA TRIBUNA in Spanish 25 Sep 82 p 17

[Article by Luis Alonso Gomez]

[Text] The hundred Nicaraguans who came into our eastern area 10 days ago, fleeing from the wave of terror unleashed by the Marxist-oriented Sandinist government, remain in a difficult situation because they have not been designated as refugees and are not receiving necessary aid.

According to information provided by Felipe Pierrot, president of the Committee for Assistance to Nicaraguan Refugees which has its headquarters in El Paraiso, up to the present they have not been depending on the United Nations High Commission for Refugees (UNHCR) because so far they have only had a fact-finding visit from that organization and an agreement has not yet been reached regarding their settlement.

The immigrants, most of them peasants, come from various places close to our common border and their number is increasing every day. This is causing serious problems for the Honduran people, most of whom have to provide the refugees with shelter and food.

Under a Rain of Bullets

LA TRIBUNA interviewed several Nicaraguans in Danli' who said they had left their country without being able to bring along any of their belongings. Alberto Amador Suarez, approximately 70 years old, and originally from El Paraiso, Choluteca Department, told about the odyssey which he endured with his wife and children beginning from the day they had to leave their native area.

"We left under a rain of bullets because the counterrevolutionaries and the Sandinist People's Army confronted each other at our house," he related. "The democratic forces are fighting to liberate Nicaragua from the claws of the Communist, and we will not be able to return until they do this because, if we did so now, we would be shot dead," Amador Suarez said sadly.

They Are Killing Us Little By Little

Juana Antonia Lopez, 40 years old and with two small children, said that "the Sandinists are killing us little by little, selling us only 1 pound of corn to eat a week; and we do not have the right to buy other consumer products because the "compas" [short for companero] say that enemies of the revolution must die of hunger or be shot."

"We never were Sandinist followers because General Somoza told us they were Communists and he was quite right," she commented, "because today we are seeing the results and we have lost everything."

For his part, peasant Rufo Mejia, originally from Jalapa, contended that the Sandinist Defense Committees (CDS) are sowing terror among the peasants and all those who do not agree with their idea.

"Owners of Everything"

"The people who are not with them," Mejia continued his account, "are dying of hunger; and I did not want to run that risk so I took to the road in search of freedom, along with my wife and 11 children, taking along only what food we could easily carry."

"I had a small farm which produced 4,000 kilograms of coffee, but they took it away from me simply because I had no influence with the Sandinist Defense Committee. Every day that passes the situation is harder for the peasants because now we do not even have our own crops to use since the state is the owner of everything," he said.

They are Getting the People Ready for War

"Every day the Sandinists give talks to the peasants," Mejia said, "telling them that men, women and children must get ready for war." "Everyone must know how to use weapons because our struggle must go on until we win Costa Rica, El Salvador, Guatemala and then Honduras, so that Nicaragua not be all by herself." This is what the Sandinists are proclaiming, according to Mejia.

Catholicism is Being Forgotten

"Because of the Communist teachings, our religion is starting to be forgotten among the children," he said.

"Every good Catholic who believes in the saints must be shot. There is no need to ask God for anything because the only one who can give anything is the state," the Sandinists repeat in their meetings with the peasants and children, according to Mejia.

"They do not allow baptisms," the peasant Rufo Mejia continued with his story, "and if we do have any baptisms we are then seen in a poor light by the CDS activists and accused of being enemies of the revolution."

"I hope that my fatherland will be liberated from the Communist yoke so that we can return there with our children," the grief-stricken peasant said at the end, emphasizing that he had left everything behind in order to seek freedom.

Resettlement is Urgent

In our eastern area there are more than 3,000 Nicaraguan refugees who urgently need food and medicine.

At the present time they are receiving aid from CARITAS of Honduras, but this is beginning to run out because more immigrants from different places in Nicaragua are coming in every day.

The communities of La Lima, Alauca, Jutiapa, Danli and Las Trojes have been made into refugee areas for the hundreds of Nicaraguans. Meanwhile those responsible for resettling them in suitable sites have yet to carry this out, and that delay is causing many problems in the region.

The Honduran people of the area are urging Honduran authorities and the UNHCR to find a solution to this critical situation.

9972

CSO: 3248/89

OVER 29,000 REFUGEES NOW IN COUNTRY

Tegucigalpa LA TRIBUNA in Spanish 4 Oct 82 p 28

[Article by Maria Luisa Castellanos de Membreno]

[Text] The number of Central Americans who every day are leaving their places of origin to seek refuge in Honduras is constantly increasing. This mass exodus across our three border areas in recent years is not expected to cease as long as unstable situations continue in the emigres native countries.

On the basis of the actual situation at hand, the United Nations High Commission for Refugees (UNHCR), CARITAS in Honduras and all the other organizations which in one way or another are looking out for the welfare of these persons are studying various ways to bring about better living conditions for all the children, elderly people and men and women who now are fleeing from the civil wars in their own countries.

Up to the present time Honduras has accepted more than 29,000 refugees into its territory; this number includes 17,000 Salvadorans, 12,000 Nicaraguan Miskito Indians and 1,000 Guatemalans. Of the total, 27,146 are under the assistance and protection of UNHCR.

To control these immigrants better, the organizations which look out for them have resettled the Salvadoran refugees in Colomoncagua and Mesa Grande, the Guatemalan refugees at El Tesoro in Copan Department and the Nicaraguan Miskito Indians in a camp in Mocoron and at other places in the Mosquitia [northeast lowlands].

According to the person in charge at the Adjunct Mission for the High Commission in Honduras, Arney Lundby, one of the UNHCR proposals is to obtain permanent solutions for all of the displaced persons it has in its charge. Among these solutions is voluntary repatriation to be carried out whenever a change of situation occurs in the country of origin. If this does not happen, then the UNHCR obtains an agreement with the country accepting the refugees under which that country will accept all of them who are fleeing from neighboring countries.

"In certain cases," Lundby told us, "governments, for special reasons, reject certain refugees; as a consequence, we have to resettle them in other countries which do accept them. This means that we have to find them a third country to reach a permanent solution."

Development

One of the main objectives of UNHCR is to promote self-sufficiency among refugees in industrialized countries. This means that the governments which accept them must provide work so that they do not depend solely on UNHCR aid.

"In the case of Honduras," Lundby told us, "it is necessary to create jobs for the refugees because the country lacks such opportunities; for this reason we have begun to cultivate the land since the majority of the refugees were originally peasants."

To carry out the project of land cultivation by the refugees, the High Commission has bought ground in Mesa Grande, Ocotepeque Department; for reasons of security, the Salvadoran refugees have been removed to Mesa Grande from La Virtud, Guarita, Valladolid and Mercedes in the border areas where they were at first.

According to studies which have been made at Mesa Grande, the land is not turning out to be very good for cultivation and it will be necessary to remove a large number of the refugees again to other places with better land. It has been agreed that only 2,000 to 3,000 refugees will stay in Mesa Grande; the others will have to leave there and find better sites.

New Projects

The organizations which look out for the welfare of the refugees are studying new projects designed to attain a better way of life for them as well as for their independence in a future environment. Among these new projects, therefore, are those in which the national population also can participate, overall development thus being achieved.

To carry out these projects, cooperation of the government is needed, especially in the economic field. In Belize, Panama and Costa Rica, this type of project is now being carried out, but the governments of each one of those countries is making significant economic contributions to see that their inhabitants enjoy remunerative work and better living conditions through government assistance.

According to the UNHCR official, the local Honduran people also are benefiting from the projects carried out by his organization. Many Hondurans who live close to the refugee camps are taking advantage of the medical assistance which the refugees have. The UNHCR official emphasized that in other areas they are developing highway and bridge construction as well as making other investments which are benefiting not only the refugees but also the community at large.

The informant added that the UNHCR is providing food to the Hondurans who live in the areas bordering the refugee camps.

They are not a Burden for Honduras

The acceptance of thousands of Central American refugees is a very controversial assistance program for the Honduran Government since everyone knows that our people live under conditions of extreme poverty, there thus being the fear that the subhuman living conditions of the Honduran people will be aggravated with the arrival of the refugees who, for the most part, are persons of very low economic resources.

On this point, the UNHCR representative explained that "the refugees who now live in Honduras are not any burden for the country because the government does not spend money on them and the land on which they have been settled was not being otherwise used."

"The projects which are being carried out with the refugees are also in one way or another benefiting the Hondurans," the official stressed. He added that "the infrastructure installations which are being built will remain in the country."

"Upon departing from Honduras, neither the refugees nor ourselves will take away anything," he assured us, "because our mission is not a business affair. We are helping the refugees for humanitarian reasons and are engaged in providing them with what is necessary for a decent and honorable life."

"In settling the refugees in permanent areas," he added, "we must provide them with potable water, electric lights and brick houses and begin to carry out agricultural projects."

It Is Necessary To Accept Them Legally

According to what the UNHCR representative said, the refugees have been given a very good reception in this country by the government and the people, but there remain legal matters regarding which the situation could be improved.

"In Honduras there is no-law on the rights of refugees," he explained. "Consequently, none of them who live here has resident status, and this means that their children cannot go to school and their adults cannot work."

It should be explained here that Honduras is not a signatory of the international agreements which regulate the status of refugees such as the Convention of 1951, Resolution 2981 (XXI) approved by the United Nations General Assembly and the Text of the Protocol of 1967.

All these agreements were drawn up in the Conference of Ambassadors of the United Nations held in Geneva in 1951. On that occasion the United Nations Convention on the Status of Refugees was approved, and it entered into force on 21 April 1954.

"The government of Honduras," the UNHCR official informed us, "is now studying the possibility of becoming a party to these agreements, but up to the present has not promised anything in this regard."

Meanwhile the director of CARITAS in Honduras, Francisco Meraz, informed us that his religious organization is working intensively with the refugees which are now in this country.

The CARITAS representative held that there are several positive aspects connected with the stay of the refugees in this country and mentioned among these the solidarity of the Honduran people in the face of the misfortune their Central American brothers are experiencing. "There has been born in the Honduran," he said, "a fervent desire to render service to the refugees and to prevent that situation from reigning in this country."

He observed that the aid which the people of Honduras are offering the refugees, includes the sharing of what food they have as well as their housing and belongings which can be used by the destitute persons. "These attitudes shown by the Hondurans have in themselves caused problems since on many occasions the Hondurans themselves have been the victims of ill treatment, having been accused of activities which they had not engaged in at all," the leader of CARITAS explained.

9972

CSO: 3248/89

AGRARIAN REFORM DISCUSSED AT PEASANTS MEETING

San Pedro Sula LA PRENSA in Spanish 28 Sep 82 p 3

[Article by Angel Maria Velasquez]

[Text] San Pedro Sula--The director of the Agrarian National Institute (INA), lawyer Ubodoro Arriaga Iraheta, said at the opening of the 10th regular national convention of the National Association of Peasants of Honduras (ANACH), that the president of the republic, Dr Roberto Suazo Cordova, is aware that the great peasant masses were the ones who brought him to the chief executive of the nation and therefore he is ready to give a strong push to agrarian reform to satisfy the most urgent needs of the great majority.

Arriaga also stated that in the opinion of Suazo Cordova, the support of the peasant class is fundamental not only so that a government may be stable but to make the big decisions that will determine the nation's future.

INA-Peasant

Arriaga explained that essentially the INA was created to make agrarian reforms and to take care of the peasants' demands. But up to the present time little has been achieved in this area, since the peasants are still in poverty 20 years after the first agrarian law was put into practice.

Arriaga explained that the path of agrarian reform has been difficult: there has been immobility, demagoguery and good intentions to help the peasant class. Arriaga recounted that this outlook from a general point of view is negative; in 1980 and 1981 there was no agrarian reform and great plundering of the INA, to such a degree that when the liberal government arrived they found they had an institution that was completely ruined.

Fundamental Agrarian Program

In Arriaga's opinion, the problem of agrarian reform and the peasants' needs have not been examined in depth as they should be, taking into account their fundamental importance for the future of the Honduran nation.

Arriaga disclosed in great detail the four-point program that LA PRENSA reported exclusively at the timely moment several weeks ago.

Arriaga said that for great wrongs, great solutions; the problems of the need to help the peasants with land is massive, for which reason all solutions should be carried out in that way--massively.

Arriaga first explained that while it is true that during the few months that he has been at the INA, 12,000 manzanas of land have been handed over, that is, more than during the 2 last years of previous administration, the problem has not been successfully resolved in the least, because it is necessary to hand over land in a massive way, that is, tens of thousands of manzanas to cooperative and individual peasants.

Second, Arriaga establishes that they must go ahead with massive handing over of title deeds, which is the only way that the peasants will feel like owners of their land and will defend it with their own lives, because they will know that it belongs to them and no longer will they have the property only as a future prospect but as something real and concrete.

Arriaga spoke about the immediate transfer of the land with its title of full control through a special settlement in which the peasant will immediately become an owner and therefore eligible for credit, without waiting for 20 years to pass, which will more or less place everyone in the year 2000.

The third point includes carrying out a large number of small projects prepared by the INA technical personnel, so that when the cooperative or individual peasant comes to request loans, he can show his point of view with a scientific basis as well as the plan that he wishes to develop.

As a fourth point, Arriaga emphasizes the need for education and cultural development of all the peasants, for which funds will be used from a loan of 25 million lempiras for peasant training at all levels, so that they can respond to the effort that the public administration wants to carry out in this regard.

Peace, Harmony and Tranquility

Arriaga, a well-known lawyer, said that there are those who still do not sense the tremendous importance that the great majority has from a political point of view; he stressed that peace, harmony and tranquility depend on the countryside; in the city the professionals and the other sectors who make up society can revolt, and they could shake the government and they would even be capable of generating a coup; the peasants, if their vitally urgent requests are not taken care of, if they are not given the attention that they deserve as a majority class, are capable of making a revolution that will sweep away the present economic, social and political infrastructures and structures.

"So that I believe that the future of tranquility, peace and harmony and we Hondurans continuing to build our nation in concordance, depend on the countryside, on the peasants," Arriaga said finally.

Antonio Julin Mendez

The president of ANACH acknowledged the positive nature of the points presented by INA director Arriaga, since according to Julin Mendez there had never been any definition in agrarian policy; however, Julin Mendez recognized that every day there is more poverty in the countryside, and he warned that to keep peace in Honduras the problem of the countryside have to be resolved; those of Honduran agriculture.

In the opinion of peasant leader Julin Mendez, the INA already defined its agrarian policy, and they support it; now what is needed is that the government headed by Dr Suazo Cordova define its policy of support for the INA, because it is useless for the INA to put specific measures into practice if there is no support by the other bodies that are directly involved in Honduran agriculture and that have the obligation of serving the peasant class.

Celeo Gonzalez

The talk given by Celeo Gonzalez, former president of FESITRANH [Union Federation of Northern Honduras Workers] was very important, since he made a hisotrical analysis in the sense that the Honduran union movement has always marched in the forefront, understanding the needs of the working class and stating the need for new legislation.

Gonzalez demonstrated historically that the Honduran union movement suggested guidelines so that the first labor code in the nation be issued; that is, that the legislature created labor laws in the face of a need that the Honduran workers movements made obvious. And the same thing happened with the law of agrarian reform; the peasants organized to demand land before there was a law of agrarian reform, which was created specifically in the face of the real need of those times.

Gonzalez immediately spoke about the deplorable and reprehensible case of the kidnapping of high public officials and of more than 100 businessmen in the Chamber of Commerce and Industry of Cortes a few days ago.

Gonzalez, who is now a consultant to FESITRANH, stated that perhaps that touching case can serve to make all Hondurans think, especially the businessmen, so that they understand that social justice is a fundamental point in the destiny of Honduras and that they can contribute with their share of sacrifice to build a future within peace and tranquility and so that violent acts will be only isolated and useless actions by groups without any prospects.

Support From the Armed Forces

The municipal mayor, engineer Juan Fernando Lopez, as much as the minister of natural resources, engineer Miguel Angel Bonilla, recognized the tremendous importance of the peasant class and the obligation to serve its claims.

Colonel Roberto Martinez Avila, chief of the second military region, in his concise talk confirmed the support of the armed forces for the peasants, making clear that our democratic system defends itself not only with arms but by working and producing and resolving the enormous problems of the majorities.

Homage

ANACH paid a homage of recognition to Ruben Solano Vallecillo and to Celeo Gonzalez as pioneers of the peasant movement in Honduras; another of those who should be named was Reyes Rodriguez Arevalo, the first president of ANACH, because he also did a great deal for the organization of that peasant body, the first in Honduras.

Perhaps Rodriguez Arevalo was not named because in the struggle for power he lost at the eighth convention, with Antonio Julin Mendez winning the contest, who is another strong driving force of the Honduran peasant movement.

9545

CSO: 3248/85

MMH: OBLIGATION TO REVOLUTION, NOT SOCIALISM

President-Elect Interviewed

Mexico City EXCELSIOR in Spanish 4 Oct 82 pp 1-A, 11-A

[Text] "My obligation is to the Mexican Revolution, not to socialism," the president-elect of Mexico, Miguel de la Madrid Hurtado, asserted. The election held on 4 July was in favor of the principles of the Mexican Revolution and not those of socialism, he reiterated, at the same time rejecting the premise that the nationalization of the banking system was socialistic.

Interviewed by motion picture director John Huston a few days after his meeting with President Ronald Reagan of the United States, De la Madrid explained that the differences between the two nations should not alarm anyone because they are proof of mutual respect. He felt that the United States should be proud that a neighboring country that is weaker economically and militarily "has the dignity to differ on occasion with some U.S. Government policies which the succeeding U.S. administration then changes."

The Public relations office of the president-elect of Mexico yesterday released the verbatim text of the interview, which took place last 29 September in the office of Miguel de la Madrid at 202 Francisco Sosa Street, and was televised this past Sunday. "Private citizens and private enterprise in Mexico continue to enjoy ample opportunity to develop, subject of course to the law and subject to the development policies of the Mexican Government," explained the man who will be inaugurated on the first of December.

De la Madrid firmly denied that Mexico was a "notoriously corrupt" country, as Huston remarked in one of his questions. Stating that he knew of no social system that had succeeded in recreating paradise on earth, he asserted that if the people of Mexico were corrupt, they would not have demanded morality or had a president-elect whose program includes the renewal of morality in the society.

"We have incidences of social immorality and corruption within and outside of the government. In general, this is a phenomenon whose culprits are both within and outside of the government," he said; he reiterated that he would carry out his obligation.

Regarding his principal goals as head of the government, he said that "the most critical short-range problem for Mexico is the economic and financial crisis," and he described the crisis as characterized by a high rate of inflation, instability of the peso, a shortage of foreign exchange, and a large foreign debt.

Despite this, he asserted, his government will not concern itself with the economic crisis alone, but will govern the country according to the basic political ideals of democracy and liberty with regard to social justice.

Concerning whether, as suggested by his interlocutor, the rules of the game should be established for private enterprise, De la Madrid said: "The basic rules of the game are contained in the Constitution and in our system of justice," just as is the case in any other country.

He recognized that his government would have to turn its attention to the excessive population growth. After criticizing the extremes of opulence and poverty existing in this country, he stated that although the present administration succeeded in reducing the growth rate from 3.5 to 2.2 percent, he planned to provide the means to continue this policy in order to reduce the rate to 1 percent by the year 2000.

Relations With the United States

Huston asked about future relations between the United States and Mexico. The president-elect denying that foreign policy differences were a cause for alarm, made the following principal points:

"It is the essence of democracy to have differences, and if the two countries have--each in its own way--a democratic system, we should learn to respect and even tolerate opposing points of view on the part of one or the other."

He regretted that differences were emphasized so frequently and that points of view held in common were not mentioned. He later cited the strong trade ties existing between the two nations.

In answer to another question by Huston, De la Madrid addressed the undocumented aliens question. He stated it was not a problem of illegality but a complex economic, social, and cultural problem. He recognized "with sadness and sorrow" that Mexico had been unable to provide sufficient employment or adequate living conditions to Mexicans. He emphasized the importance of Mexican laborers to Americans.

But, he added, while Mexico respects the right of the United States to establish its immigration policies, it also asks that the aliens be given the treatment they deserve as human beings and enjoy the protection of the labor laws, as Americans themselves do.

The president-elect of Mexico reiterated his stands on the egalitarian society, decentralization of the domestic economy, and development policies through which Mexicans could take advantage of their vast and diversified resources

to offer worthy and remunerative employment to all Mexicans, with a democratic planning system that would enable the community to freely choose its objectives.

Finally, speaking on foreign policy, he stated that Mexico would continue its efforts to help dissipate the great dangers that world peace faces and to remain friendly with all nations.

PSUM, PAN Reaction

Mexico City UNOMASUNO in Spanish 5 Oct 82 p 4

[Article by Julio Hernandez Lopez]

[Text] The statements made by Miguel de la Madrid to the American motion picture director, John Huston, have provoked different reactions among the opposition parties. The PSUM [Unified Socialist Party of Mexico] said that "the direction the country is to take is not a personal decision but the result of the wishes of the working masses." The PAN [National Action Party] asked for "more details on the denial of a move toward socialism and demanded "deeds to back up the words," such as the return of the banking system to private ownership. For the PRT [Workers Revolutionary Party] this was a "subliminal message to businessmen that they could continue to exploit the working class. The PDM [Mexican Democratic Party] found the president-elect's statements "sensible." The PST [Workers Socialist Party] said he had no opinion on the matter as he had not read the daily papers.

In a press release the Unified Socialist Party of Mexico points out that bank nationalization and foreign exchange controls "are not socialist measures, as representatives of U.S. imperialism have tried to manifest." It added that what was necessary in the wake of these decisions were new measures, such as "democratic economic planning, in-depth fiscal reform, greater participation by the social and political organizations in economic planning, and an electoral reform that would put elections and labor union democracy in the hands of the political parties."

Bernardo Batiz, coordinator of the congressional bloc of the National Action Party, stated in turn that the statements made by De la Madrid "served to calm some anxieties over the kind of country the government wants." However, they "present a contradiction considering what happened on the first of September," for the nationalization of the banks was a measure "that the socialist parties had supported." Thus, "to deny that we are moving towards socialism requires a broader explanation," the deputy said. In addition, Mexican "statism is moving closer towards socialism than towards a democratic system," and the nationalization "is a measure that draws us closer to socialism."

Batiz added that the statements of De la Madrid should be backed up by deeds, such as the return to private ownership and the sale of "many government enterprises" that are not included in the area of public services.

In the specific case of the banks, he felt that "the shift of a monopoly from the hands of a certain few to a monopoly by another similar group" solves the problem, and thus it is necessary to "democratize" bank property. However,

the PAN idea is not to return the banks to their former owners, Batiz stated, but to "open the doors" of the nationalized institutions to private citizens who are outside the banking system. In turn, Pedro Penalosa of the top leadership of the Workers Revolutionary Party, indicated that the statements of the president-elect were "a subtle way of telling businessmen that their profits would continue to be grandiose and they would continue to exploit the working class as always." They are "a message sent prior to the inauguration in which he is giving advance notice and making judgements on what the foundations of his 6-year term will be, that is, to flatter U.S. imperialism and utter demagogic solutions to domestic problems."

Penalosa said that "no one believes we are moving towards socialism. He criticized those parts of the interview with John Huston in which De la Madrid asked only for "just treatment" for the undocumented aliens and blamed the demographic explosion for social inequality.

The Mexican Democratic Party, meanwhile, said that De la Madrid's statements "were sensible and reflected a clear analysis of the current situation of the nation." In the opinion of the Mexican Democratic Party there are three central points in the thinking of the president-elect: a solution to the economic crisis, the unity of all Mexicans, and the strengthening of the democratic system. Nevertheless, the PDM found that although the bank nationalization did not have an ideological or political connection, "in reality, it is a step towards socialism" even though there was no such intention.

9015

CSO: 3248/125

FORMAL ESTABLISHMENT OF CNDEP GENERATES CRITICISM

CNDEP Constitution Signed

Mexico City EL DIA in Spanish 17 Oct 82 p 8

[Article by Angel Aguilar Perez]

[Text] Yesterday, the leaders of the Unified Socialist Party, [PSUM], Mexican Workers Party [PMT], Social Democratic Party and the Unity of the Communist Left and the Independent Federation of Laborers and Peasants organizations established the National Committee for Defense of the Popular Economy [CNDEP].

According to the leaders of the above-mentioned political organizations, Pablo Gomez, Heberto Castillo, Luis Sanchez, Manual Terrazas and Jose Dolores Lopez, respectively, with the concurrence of their members "a unified instrument for action open to all forces that wish to join it" has been constituted.

They clarified that the new Committee is opposed to any possibility of confrontation with popular factions or groups but that it "is ready to reach agreements to struggle to secure one or more points of our program, of one or more of the workers' demands."

The leaders who signed the committee-constitution agreement emphasized that only the unity and struggle of the working class, of all workers, and their social and political organizations, are capable of preventing the loss of what has already been gained and to make new advances.

"The crisis has not ended: inflation and shortages are hitting the families of workers; dismissals are aggravating social tensions; and policies are being applied that are contrary to popular interests, such as the ridiculous increase in the salaries of state workers, or are contrary to national interests, such as the authorization given to companies with foreign indebtedness to exchange their debts for shares of stock. The reply of the laborers and peasants to the crisis cannot be indifference or inactivity. The people must struggle for their interests, in defense of the popular economy."

Program Outlined

Mexico City UNOMASUNO in Spanish 17 Oct 82 p 3

[Article by Emilio Lomas]

[Text] The basic points of the action program of the National Committee for Defense of the Popular Economy, which is made up of the Independent Federation of Farm Laborers and Peasants, Unity of the Communist Left and the Social Democratic Party, Mexican Workers Party and Unified Socialist Party are as follows: the nationalized banking system should be used to promote economic development which benefits the workers and consolidates national independence; generalized and permanent control should be established over exchange rates to prevent the looting of the country's foreign exchange; there should be no rectification of the 1 September decrees; and there should be a total rejection of any effort to sell shares of stock in the possession of banks or their use to indemnify former bankers.

The program also demands an emergency increase in the minimum wage throughout the country, retroactive to 1 September; the establishment of a sliding scale for wages; a halt to dismissals and massive realignments; expropriation of companies which engage in illegal work stoppages; and the national promotion of unemployment insurance.

The program also states that fiscal reform is needed to impose progressive taxes on the highest-income sectors and company profits, that the value-added-tax should be repealed for popular consumption products and that tax evasion by companies should be punished.

The document rejects the policies of the International Monetary Fund and declares itself opposed to budgetary cuts in the rubrics of health, education, housing and urban services and social security. The program also says that it is necessary for Mexico to join OPEC.

The document also demands the nationalization of the food, chemical-pharmaceutical and construction monopolies. It emphasizes that there should be a cut in subsidies to the country's big companies, that interest rates should be lowered and that dividends from speculative capital should be frozen.

The document collectively prepared by those organizations rules out the possibility of Mexico's increasing its oil exports and rejects the plan to obtain new loans from abroad. The document demands repeal of paragraph 3, Section XIV, Article 27 of the Constitution (which protects large land ownership) and the Agricultural-Livestock Development Law. As an urgent requirement for the reactivation of production in the countryside, the program calls for action on simulated large land ownership and cattle-raising and utilization of idle lands. The document calls for the establishment of collective ejidos [communal lands]; sufficient credit for ejido residents comuneros [ejido small farmers] and small land owners, particularly for seasonal workers; an end to agricultural shortages and an increase in support prices.

PST Considering CNDEP Contact

Mexico City EL DIA in Spanish 17 Oct 8] 'Metropoli' Supplement p 3

[Article by Jose Alberto Lopez Sustaita]

[Text] Next weekend, the plenum of the Workers Socialist Party [PST] will decide whether or not to seek contact with the promotion committee of the National Committee for Defense of the Popular Economy, an organization which "is taking very pertinent positions and is making proposals in line with reality," according to an announcement made by the head of the PST press office, Jorge Diez.

In a related matter, although making it clear that the final decision would be made by the PST Central Committee, the party's spokesman said that the PST had worked with the National Front for Defense of Wages [FNDS] but that later "problems arose because there is a little bit of everything in the FNDS, immature groups such as the PRT [Revolutionary Workers Party] and Punto Critico [Critical Point] which at times act like provocateurs."

He said, "In this front, we have observed infantile and ultraleftist positions, basically by those two groups." He said that the break came when an announcement was made of the nationalization of the private banking system, a measure which of necessity triggered different and at times opposing opinions.

"In general," Jorge Diez added, "we should speak of a division rather than of complementarity between the CNDEP and the FNDS," although he made the point, "It cannot now be considered a fractionation but rather a purification of the left."

The PST press spokesman recalled that at noon today, with a political action in front of the Hemiciclo a Juarez in Alameda Central, the Committee for Defense of the Popular Economy will be established in this capital, he expressed his confidence that actions of this kind "will open the real possibilities of a serious ideological discussion in the national left."

Finally, he stressed that the PST is not now participating in either of the organizations being promoted by the left and questioned "the traditional sectarian and puritan posture of the socialist organizations which often leads to their alienation from the concrete demands of the workers and failure to clearly understand a particular political situation."

PPS Criticism of CNDEP

Mexico City EL DIA in Spanish 17 Oct 82 'Metropoli' Supplement p 3

[Article by Jose Alberto Lopez Sustaita]

[Text] The National Committee for Defense of the Popular Economy and the National Front for Defense of Wages "are not only defending the popular

economy and wages but also want to create splits and to distance themselves from forces that constitute a much broader front which has made possible measures such as the nationalization of the private banking system and the establishment of exchange rate control."

Describing in this manner efforts by several organizations of the left to combat shortages and the government's austerity policy, the Popular Socialist Party [PPS] in this capital, Cuauhtemoc Amezcua Dromundo, observed that "there are enormous prospects for other successful measures within the same framework of advances with the Mexican revolution."

In this regard, he said that the nationalization of the food, pharmaceutical and transportation industries, among others, could be expected and "a restructuring of the government to permit the working class to enter it for the first time in replacement of the antidemocratic and proimperialist middle class."

The PPS leader in the Federal District, in response to the announcement that the local CNDEP committee was to be formed this afternoon, said, "Actions of this kind become provocation when the nationalist middle class is attacked as it participates in the state and shows very little real interest in the cause which it only appears to be defending."

However, Amezcua Dromundo admitted that defense of the popular economy and wages "is a legitimate banner, although we should question the method because if the patriotic forces in the government are attacked, in reality one is fighting against that banner by creating negative conditions for overcoming the country's crisis."

POS, PRT Charge Divisiveness

Mexico City UNOMASUNO in Spanish 21 Oct 8] p 5

[Text] During a press conference, leaders of the Socialist Labor Party [POS], Revolutionary Workers Party, Proletarian Communist Organization (OCP) and Punto Critico said yesterday that a very serious step is being taken to confuse the democratic organizations and divide the activity of the forces of the masses movement which proposes to defend wages and take action against the policy of austerity.

They said that this step had been taken by the Mexican Workers Party and the Unified Socialist Party because with their participation on 16 October 1982 the National Committee for Defense of the Popular Economy (CNDEN) had been formally constituted in an act of apparent unity; however, in reality what is involved is an effort to divide the already established National Front for Defense of Wages, Against Austerity and Shortages (FNDSCAC), they indicated.

Pedro Penaloza, of the PRT, explained moreover that the PSUM had previously committed itself to another front: the United Front Against the Government's Policy of Austerity, in Defense of the Living Conditions and Work of the

People and Their Trade Union and Democratic Rights, from which the FNDSCAC was formed.

CNDEN critics said that it was not correct to assert the existence of two fronts since in fact the promotion of one front at least implies the neglect of the other, if not "its abandonment and sabotage."

The Front for the United Struggle, it had been agreed, would answer the needs of the exploited masses; therefore, by dividing it in practice when the PSUM became part of the other front, its readiness to fight for its demands was brought into question and that political party thus is "stressing the importance of its collaboration with the government and one middle-class sector" which, in the final analysis, is the meaning of the PSUM plan for the "democratic reorientation of the economy."

CNDEN critics said that for this reason the PSUM, PMT and the trade union directorates united with them should think about the "harm they are doing to the masses movement with their divisionism."

What is more the call made by these parties and the new front for a march next Saturday is contradictory to the work of the FNDSCAC which on that same date will hold a national plenum, they added.

The Saturday march will sap the energy of preparations for a huge joint mobilization of all forces for 6 November which, according to plans, will end with a rally in the square.

The march on 23 October also clearly appears to be a maneuver which characterizes itself as two demonstrations, one called by the CNDEN and the other by the front of 17 trade union organizations.

Leaders Luis Felipe Bazua, of the CCP, Cuautemoc Ruiz, of the POS, and Daniel Molina, of Punto Critico, among others, emphasized that CNDEN is dividing the masses movement creating confusion and limiting the workers' resistance to the attacks which the government and employers are making on employment, wages and living conditions.

8143

CSO: 3248/157

MISURASATA COMMUNIQUE ON LEADER'S EXPULSION

San Jose LA NACION in Spanish 5 Oct 82 p 19A

[Text] Communique: We, the highest authorities of the Misurasata Indigenous Organization, composed of the Council of Elders, a representative of the Political Commission and the leadership cadres, meeting in a joint extraordinary assembly to learn about the dissociative activities of Mr Brooklyn Rivera in the United States, Costa Rica, Venezuela and other countries, which activities are completely unrelated to the continued struggle of the Misurasata Movement; and having the deep conviction that Mr Brooklyn Rivera's position is one of divisiveness for our national movement to liberate Nicaragua and that it is endangering and trying to destabilize our Misurasata Organization, which has members and is organized within and outside of Nicaragua;

By this joint document, do publicly disauthorize Mr Brooklyn Rivera and therefore we consider him excluded from membership in the Misurasata Movement.

Being in agreement, therefore, we sign this document on 20 September 1982.

Somewhere in Central America.

Rev. Mollins Tilleth
President, Council of Elders

Cirilo Wilson
Member of Council of Elders

Elmer Prado
In charge of Leadership Cadres

Walter Carvajal
Member of Executive Council

Rev. Wiolif Diego
In charge of the Organization's
Political Affairs

Stedman Fagoth
Representative and Member of
Political Commission

Lejan Mora
Misurasata Youth Coordinator

Signatures witnessed
Julieta Gomez Soto
Seal No 7-044-008

8735

3/113

FORMER GUERRILLAS SCORE SANDINIST GOVERNMENT

Bogota EL TIEMPO in Spanish 1 Oct 82 p 14B

[Report on interview with five former Nicaraguan guerrilla fighters, by Gustavo Hernandez; San Andres Island, date not given]

[Text] San Andres, 30 Sep--There are nearly 60,000 Cuban, Soviet and North Vietnamese military people in Nicaragua, EL TIEMPO has been told by the five former guerrilla fighters who arrived here last week on board a fishing vessel after fleeing from the Atlantic coastal mountains where they were fighting to defend their country from communism and from the repressions of the Sandinist Government.

The guerrillas from the neighboring country, headed by Leonidas Brown, told about the difficult times their country is going through at the present time.

[Question] Are you against the Sandinist regime?

[Answer] Indeed we are, because we don't believe that any citizen could agree with the restrictions that are placed on everything, from food to the freedom to breathe clean air.

[Question] Did you collaborate in the overthrow of General Somoza?

[Answer] Yes. We believed in the Sandinists at first and that the plans they offered would be carried out. That is why we fought at that time. But once those people took over the government they began to oppress the people, and we saw that what they had offered us was a farce. It was the biggest betrayal that could ever befall a people.

[Question] Are there many Cubans in Nicaragua?

[Answer] Right now in Nicaragua there are so many Cubans, Soviets, North Vietnamese and other foreigners that they almost outnumber the Nicaraguan people themselves.

[Question] How is the Sandinist regime fixed for weapons?

[Answer] The Sandinist Government is heavily armed with Soviet equipment.

[Question] Against whom is the repression you mentioned directed?

[Answer] All the repression in Nicaragua is directed against the people. Since you are not aware of it, I will try to tell you a little about the present situation.

In Nicaragua, my country, nobody is allowed to own anything. The government is the sole owner, and the nine individuals who compose the present regime own the business firms, houses, means of transportation and everything a human being could want. If you have a house, they inspect it and make a complete inventory; then it is appraised at an inflated figure, so that you are unable to pay the taxes. Once you fail to pay those taxes, the property passes into the hands of the state. With regard to food, the people have to form long lines at the people's distribution centers. When they finally get in, the most they can find is half a pound of sugar and some rice, which is wormy and foul-smelling. The sugar is black and has dirt and bits of glass in it. If you make a complaint about anything you are sent to jail as a counterrevolutionary.

[Question] Are there many organized groups fighting against the present system?

[Answer] There are more than 300 indigenous communities. They are the ones who have suffered the most repression, because they are further from the capital and that is where the country's greatest wealth is.

[Question] Is it true that there are some members of M-19 [19 April Movement] and of FARC [Revolutionary Armed Forces of Colombia] in Nicaragua?

[Answer] Yes it is, because at the time the Somozist regime fell, a contingent called the Simon Bolivar brigade left here, from San Andres. In that contingent were some elements of the M-19, who at this time are in Nicaragua, wearing a green uniform with a badge on the pocket which says "M-19."

[Question] Have you seen them? About how many are there?

[Answer] Well, I remember 40 or 50 who were in that brigade and who are still in the country advising the government.

[Question] What bothers the Nicaraguan people most at the present time?

[Answer] Their biggest problem is food. The people are hungry, and if you work in some enterprise, the pay is weekly, and you are given a little booklet with a coupon so that you can go to the people's distribution center and get whatever they want to give you, because there are no longer any private businesses. Everything is just one totalitarianism; no more government. There is no money in circulation except among followers of the regime and among the soldiers, who along with the government are murdering their own people.

[Question] Are the Nicaraguan people still Catholic?

[Answer] The people are still dying for their religion, but communism has prohibited it completely. They are closing the churches and expelling and imprisoning the religious authorities. The churches are being converted into barracks.

[Question] What do the people think of the two priests who are in the Sandinist Government?

[Answer] Those individuals, from the moment they began to enforce repression against their people, ceased to be priests. The people themselves say that if they call themselves pastors, then we are God.

Regarding to the claims of the Sandinist Junta on this archipelago, the guerrillas said that they want not only to take over this island, but also to ignite the flames of communism in Colombia. The Nicaraguan people want this archipelago to remain as it is and not to fall into the hands of the present government. Elias Brown, Raldy Wagon, Peter Wilson, Paterson Wilson and Rodolfo Garth, aged from 17 to 32 years, will be taken to Bogota to settle their status with the Ministry of Foreign Relations, but they hope to return soon to their country to continue their struggle in the Atlantic coastal mountains and to liberate their people from communism.

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FDN COMMUNIQUE EXPLAINS ITS POLICIES

San Jose LA NACION in Spanish 6 Oct 82 p 17A

[Text] The Nicaraguan Democratic Force (FDN) is a political and military movement in which all national occupational sectors are represented and all the various ideological tendencies participate, convinced that a process must be started in Nicaragua in which democratic freedoms will be a reality--the only way to carry out the necessary reforms in the social, economic and political spheres which our people require for their progress and historical development, the basic goal for which they fought to overthrow the previous dictatorship and which has been made a joke by the present communist regime.

The communists who are misgoverning our country today are determined to establish in Nicaragua a Marxist-Leninist totalitarian system in the service of Russian interests, and no pressure, domestic or foreign, has succeeded in making them change their course and return to the original proposals contained in the Program of Government of June, 1979, and in the Fundamental Statute decreed in July of that same year.

In view of our people's serious plight, which affects the destiny of our fatherland and the security of the continent, the Nicaraguan Democratic Front (FDN) resolved from its inception to join forces with all the other organizations, political parties, guilds and unions to overthrow the present totalitarian government of the FSLN [Sandinist Front for National Liberation] and to establish in Nicaragua the foundations for the real democracy that we have so long sought.

In this regard, we wish to assert as the basis for any unity in the struggle that it is up to the Nicaraguan people alone, through their sovereign will freely expressed in just and honest elections through universal, secret, equal, personal and non-transferable suffrage, to determine the ideological and political orientation of the government of the republic and to choose those individuals who are to head that government.

Consequently, when our struggle is victorious, we propose, first, to establish according to the precise terms of the American Convention on Human Rights, the fullness of these rights, which have been violated and trampled upon by the communist regime that has taken over the government of Nicaragua, in fact as well as through laws, decrees and resolutions of all kinds.

We propose to organize, immediately following our victory, an authentically pluralist provisional government, whose basic goal will be to establish democratic freedoms and hold elections, within the shortest time possible, for municipal offices and for a national constituent assembly, which as the supreme depository of popular sovereignty will establish in a free and democratic manner the legal foundations of the new republic.

Thus we proclaim that our unity does not imply a renunciation of our respective ideological or doctrinal positions, and that we will not try to impose any ideology through the force of victory, the result of the use of weapons, but that we will use these only to guarantee the people their inalienable rights, as stated in our Declaration of Principles.

Yesterday, today and until Nicaragua is free from communism, and aware that our country desperately needs a creative ideology which will clearly mark the path to be followed, in accordance with our preferences, we call on all those organizations and elements which wish to participate actively in the great struggle for our country's liberation for unity in that struggle.

God, Country, Democracy
Nicaraguan Democratic Force

Signature witnessed:
Juan Bautista Chacon Mora
Seal No 1-362-346

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24 Nov 1982